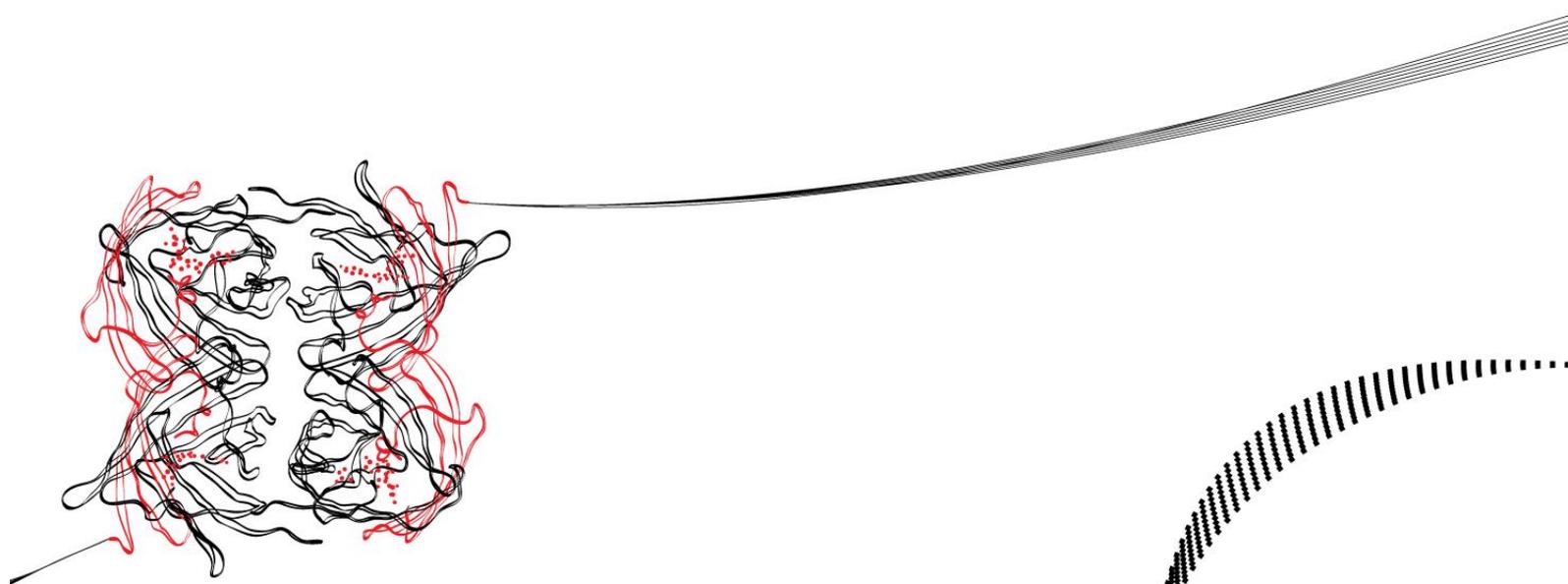
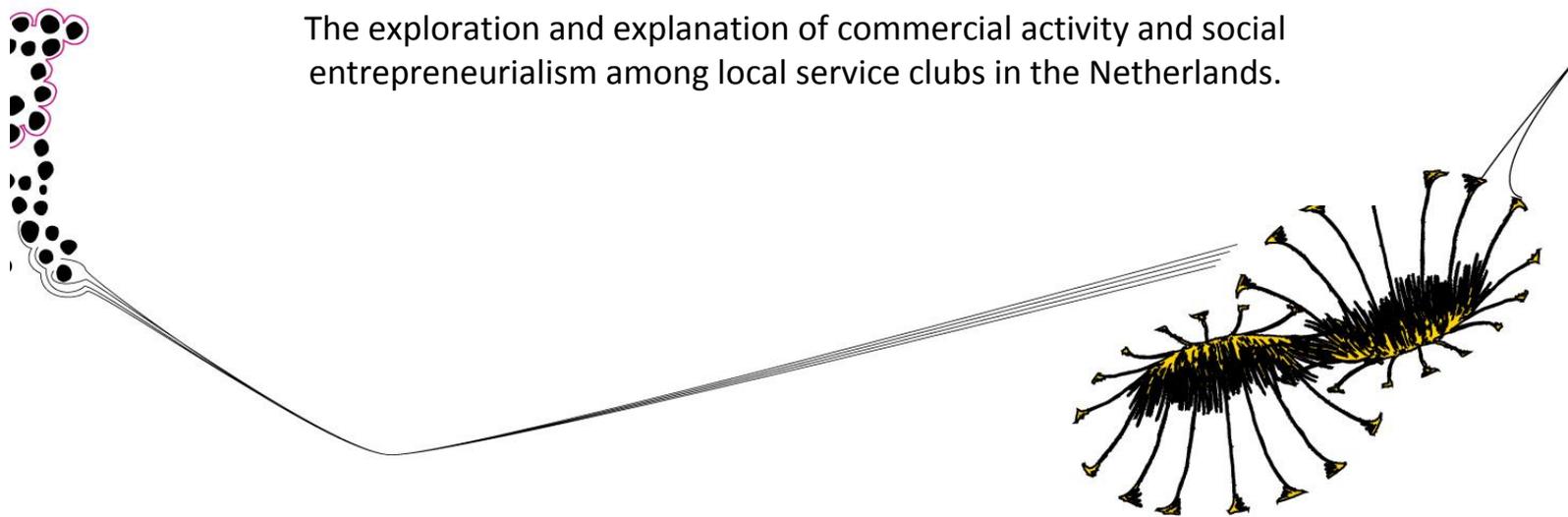




Serving by selling

The exploration and explanation of commercial activity and social entrepreneurialism among local service clubs in the Netherlands.



University of Twente
Faculty of Behavioural, Management and Social Sciences

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Master thesis Business Administration

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Preface

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This master thesis is the result of my study on the exploration and explanation of commercial activity and social entrepreneurialism among service clubs in the Netherlands. With this thesis, I complete my master program Business Administration (track: innovation and entrepreneurship) at the University of Twente. It took some time to complete this thesis; in turn this gave me the opportunity to deploy myself on the local level of politics.

I chose the title 'Serving by selling' in order to demonstrate that service clubs are not only aimed at raising funds by donations (i.e. charity); money is earned by service clubs in order to fulfil social needs that are neglected by markets and governments. This study explains which factors explain and which factors cannot explain commercial activity and social entrepreneurialism among service clubs in the Netherlands.

Writing a second master thesis has, again, been an instructive process for me. And again, this thesis became too extensive. To the reader, I apologise for this. This thesis would not be what it is if local treasurers or other board members of Lions and Rotary clubs were not so kind to cooperate; I would like to thank all the respondents that participated in the survey that I used for this study.

Special thanks go to my supervisors at the University of Twente, dr. Michel Ehrenhard and dr. Matthias de Visser, for the time spent to read and discuss the intermediate drafts of this thesis and their useful comments and advice.

Arjen Maathuis

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Summary

The aim of this study is to answer the following main research question:

To what extent did local Rotary & Lions clubs in the Netherlands make use of commercial activity and set up social entrepreneurial projects in the period between 2010 up to 2015 and which variables explain these phenomena?

In order to answer this question, theoretical insights were derived from a structured literature review regarding the following concepts: social entrepreneurship, non-profit funding and service clubs. These theoretical insights resulted in a theoretical framework. In its turn, this framework resulted into 11 hypotheses that were tested empirically. In order to obtain the data for this, a survey has been sent to 444 Rotary treasurers and 435 Lions boards. In the end, 241 out of the 879 recipients responded, which means that the response rate is 27.42%. The data obtained were analysed in a quantitative way by using SPSS. Conclusions are reached based on univariate analyses (e.g. an average), bivariate analyses (e.g. t-tests) and multivariate analyses (e.g. regression analysis).

A majority of the service clubs in the Netherlands make use of commercial activity; 156 out of the 241 respondents answered that their local service club made use of commercial activities in order to raise funds in the period 2010 – present. The use of commercial activities by local Rotary & Lions clubs in the Netherlands can be significantly explained by the commercial background of service club members; the higher the extent to which service club members with commercial background set up commercial activity within a particular service club, the higher the level of commercial activity within that club. The use of commercial activities by local Rotary & Lions clubs in the Netherlands cannot be explained convincingly by reduced revenue volatility (the perceived level of income stability due to commercial activities); there is ambiguous evidence regarding the significance of this variable. Moreover, the use of commercial activities by local Rotary & Lions clubs in the Netherlands cannot be significantly explained by increased competition for private contributions, donations and subsidies and the entrepreneurial orientation of service clubs. Finally, the use of commercial activities by local Rotary & Lions clubs in the Netherlands can be significantly explained by the percentage of income from commercial activities

94 out of 151 respondents (62.3%) indicated that their service club have set up (a) social entrepreneurial project(s). The extent of social entrepreneurialism among service clubs Rotary & Lions clubs in the Netherlands can be significantly explained by the commercial background of service club members; the higher the extent to which service club members with commercial background set up commercial activity within a particular service club, the higher the level of social entrepreneurialism within that club. The commercial background (expressed in a percentage of the members) itself is not a good predictor variable for both the extent of commercial activity as the extent of social entrepreneurialism. Moreover, social entrepreneurialism among service clubs Rotary & Lions clubs in the Netherlands cannot be explained by the concepts of: reduced revenue volatility; increased competition for private contributions, donations and subsidies; entrepreneurial orientation and compassion. However, commercial activity significantly predicts the extent of social entrepreneurialism; the higher the extent of commercial activity, the higher the extent of social entrepreneurial projects. It is noteworthy that service clubs that do make use of commercial activities do have a significant higher level of annual total revenue than the clubs that do not make use of commercial activities. The extent of social entrepreneurial projects significantly predicts the annual total revenue of service clubs. So, the higher the extent of social entrepreneurial projects, the higher the annual total revenue of service clubs. Finally, the extent of income stability due to the use of commercial activity significantly predicts the percentage of income from commercial activities, as well as the percentage of income from private contributions, donations and (government) subsidies, albeit in a negative way. In chapter 8, one can read what these conclusions really mean.

1. Introduction

Commercial entrepreneurs are driven by profits and their success is measured in terms of financial returns; social entrepreneurs are not only driven by profits, but also by addressing social needs. The reason why social entrepreneurs exist is because of the presence of social problems that have been overlooked by business, governmental and non-governmental organisations (Zahra et al., 2009, p. 520). Social entrepreneurs come up with innovative business models in order to address social problem in developed economies as well as in underdeveloped and emerging economies. In underdeveloped and emerging economies, social entrepreneurs bypass corrupt governments and non-governmental organisations in order to address social needs; in developed economies, social entrepreneurs apply innovative and cost-effective methods in order to address social problems such as poverty (Zahra et al., 2009, p. 520). Moreover, budget cuts on social services create the need for entrepreneurial activities in order to raise funds and address social needs (Peredo & McLean, 2006, p. 7; Zahra et al., 2009, p. 520). Government withdrawal in certain domains seems to be the reason why service clubs focus their activities on those domains (Schuyt et al., 2007, p. 167). Based on a thorough literature review on the definition of social entrepreneurship Zahra et al. (2009, p. 522) define social entrepreneurship as '(...) the activities and processes undertaken to discover, define, and exploit opportunities in order to enhance social wealth by creating new ventures or managing existing organizations in an innovative manner'. This is not the operational definition that is used in this study though. Activists are members of social movements and their goal is to reach social change; social entrepreneurs, on contrary, want to fulfil social needs instead of reaching social change while creating economic value by offering products or services (Van den Broek et al., 2012, p. 215). Salamon & Anheier (1996, p. 5) define a service club as 'membership organizations providing services to members and local communities'. Service clubs emerged in the USA in the early 1900s and 'represented a new style of fraternalism and catered specifically to the needs of independent businessmen and mid-level managers for semi-informal socializing, instrumentally geared towards the creation of business opportunities for their members' (Farkas, 2012, p.66).

Based on the aforementioned, my expectation is that local service clubs in the Netherlands set up projects that fulfil social needs in developed economies as well as in underdeveloped and emerging economies. In other words, it is likely that some projects that have been set up by local service clubs can be characterized as social entrepreneurial; I believe that it is not all about charity. An advanced, and above all, pronounced example of social entrepreneurship among local service clubs is the Rotary Club of Aberdeen St Machar (Great Britain) which 'is establishing a social enterprise to sustain five remote schools in Bandipur, Nepal. The Rotarians plan to open a coffee shop, restaurant and guest house in the main village, catering mainly for tourists and to use the proceeds to fund the schools on a sustainable basis'¹. In academic literature, this link has not been made yet. Recent research regarding service clubs is rather focused on its relationship with leadership, philanthropy and social capital (Kou et al., 2014; Schneider & George, 2011; and Farkas, 2012).

As one can read in the theoretical framework, service clubs once started as clubs that brought together businessmen for lunch. In the following decades, the concept of service clubs expanded

¹ See: <http://www.ribi.org/news/ribe-news/creating-a-social-enterprise>

internationally. Inherent to this expansion was the transfer of American cultural values; the political climate in a certain region was and is of influence on the viability of service clubs in that region (e.g. communism and the Middle East). Nowadays, service clubs might be considered as vehicles that transfer or could transfer social entrepreneurialism throughout the world. Possible antecedents of commercial activity and social entrepreneurialism, found in literature, could help explain why service clubs make use of commercial activity and social entrepreneurialism. Results from this study could encourage service clubs to embrace social entrepreneurialism as a chance, instead of considering it as a threat to the charitable image service clubs have.

2. Research questions

In the introduction, the context of this study has been described. This leads to a problem definition and research goal. Based this research goal, some research questions can be formulated.

2.1 Problem definition and research aim

A problem definition offers a researcher the possibility to delineate the subject. It is the foundation of a thesis. A problem can be described as a discrepancy between a desired situation and the representation of an existing, unsatisfactory, situation. Based on the extensive literature review of this study (see next chapter), the existing situation is that literature regarding social entrepreneurship is still dominated by conceptual articles; there is a lack of empirical research on the topic of social entrepreneurship. Moreover, literature regarding service clubs is very limited. In order to become a mature field of inquiry, more empirical research regarding social entrepreneurship is needed. We have to know how social entrepreneurship manifests itself. My expectation is that social entrepreneurship could be found in projects of local service clubs in the Netherlands. However, this has never been examined. And that makes sense, given the limited amount of (empirical) literature regarding service clubs and the limited amount of empirical literature regarding social entrepreneurship. So, this research gap offered the author of this thesis the opportunity to 'go on an adventure'.

So, the aim of this study is multifaceted. The main aim of this study is to examine whether local service clubs in the Netherlands make use of commercial activity and set up social entrepreneurial projects. Moreover, the aim of this study is to examine why local service clubs in the Netherlands make use of commercial activity and why they set up social entrepreneurial projects. The theoretical model of this study offers insight that could help explaining this phenomenon.

2.2 Research questions

Based on the aforementioned research goal, the following main research question can be formulated:

To what extent did local Rotary & Lions clubs in the Netherlands make use of commercial activity and set up social entrepreneurial projects in the period between 2010 up to 2015 and which variables explain these phenomena?

Since this study is explanatory (theory testing in a specific setting) in nature, I believe it makes sense to formulate a compact main research question that can be answered unambiguously. That is the reason why, in this main research question, no distinction has been made between dependent variables and independent variables. However, the sub questions of this study (and corresponding theoretical model) offer the possibility to explain the phenomena of local service clubs engaging in commercial activity and social entrepreneurial projects. The units of analysis (i.e. social entrepreneurial projects) are clearly mentioned and the study period is delineated. Moreover, I chose to study/observe local clubs from Rotary & Lions, and not the local service clubs from all international service clubs operating in the Netherlands, such as: Kiwanis, Soroptimist International,

Ladies's Circle, Fifty-One, De Nederlandsche Tafelronde, Inner Wheel, Junior Chamber International, Leo's, Rotaract and Zonta (Schuyt et al., 2007, p. 163). In the methodology chapter I explain why.

Based on the central research question, the following sub questions can be formulated:

- I. *To what extent do local Rotary & Lions clubs in the Netherlands make use of commercial activity?*
- II. *To what extent can the use of commercial activities by local Rotary & Lions clubs in the Netherlands be explained by: the commercial background of service club members, reduced revenue volatility, increased competition for private contributions, donations and subsidies and entrepreneurial orientation?*
- III. *To what extent can projects, set up by local Rotary & Lions clubs in the Netherlands, be characterised as social entrepreneurial?*
- IV. *To what extent can social entrepreneurialism among service clubs be explained by: the commercial background of service club members, reduced revenue volatility, increased competition for private contributions, donations and subsidies, entrepreneurial orientation and compassion?*

2.3 Relevance of research

Geurts (1999, p. 133) makes a distinction between the three kinds of relevance of research: scientific relevance, social relevance and personal relevance. Scientific relevance refers to the usefulness of the research results for the science. Social relevance refers to the usefulness of the research results for the client (if there is a client who wants to have examined a certain phenomenon) and possibly for the society in general. Personal relevance refers to the usefulness of the research for the researcher him-/herself; this could be in terms of self-development and/or in personal areas of interest. As mentioned earlier, there has been no scientific contribution that links social entrepreneurship and local service club projects. So, the scientific contribution is about the examination whether this link exists or not. This study could be an eye-opener for many scholars. In terms of social relevance, the outcomes of this study provide new insights about the contributions local service clubs in the Netherlands make. Moreover, the outcomes of this study could inspire other service clubs to start social entrepreneurial projects. It is noticeable that this study does not have a specific client, research was done under the supervision of the School of Behavioural, Management & Social Sciences of the University Twente. Regarding the personal relevance of this research, this thesis is the capstone of my master Business Administration, track: Innovation & Management.

2.4 Outline

In chapter 3, a theoretical framework will be provided that eventually results in hypotheses and a corresponding theoretical model. In chapter 4, the methodological aspects of this study are described. In chapters 5 and 6, the results of this study are described and the sub research questions are answered. This leads to the answering of the main research question (i.e. chapter 7). Finally, the results of this study are discussed critically (i.e. chapter 8).

3. Theoretical framework

Social entrepreneurship and service clubs are the most important concepts in this study. Therefore, it is necessary to conduct a decent literature review regarding those concepts. In addition, it is useful to conduct a literature review regarding the concept of non-profit funding since this is an adjacent field of research that might provide useful insights. Note that non-profit funding is studied in the context of commercial activities, since government funding is not a research theme in this study.

According to Webster & Watson (2002, p. XIII), 'a review of prior, relevant literature is an essential feature of any academic project. An effective review creates a firm foundation for advancing knowledge. It facilitates theory development, closes areas where a plethora of research exists, and uncovers areas where research is needed'. Regarding this chapter, I have used the literature search methodology as proposed by Webster & Watson (2002). This means that for identifying relevant literature, it is recommendable to start with the leading journals. According to Webster & Watson (2002, p. XVI), the major contributions are likely to be found in these journals. Therefore it is necessary to identify the leading journals in the field of social entrepreneurship, non-profit funding and service clubs. Articles need to be selected for reviewing when they contain certain keyword(s) that are relevant to that field (Webster & Watson, 2002, p. XVI); this process is known as 'keyword search'. Subsequently, Webster & Watson (2002, p. XVI) recommend to 'go backward' by looking at the references in the relevant articles that are published in the leading journals. This step leads to the identification of prior articles which could be relevant for the literature review. Finally, Webster & Watson (2002, p. XVI) recommend to 'go forward' by identifying articles that cite the key articles identified in the previous processes of 'keyword search' and 'going backward'. Webster & Watson (2002, p. XVI) advice to use Web of Science in the processes of 'going backward' and 'going forward'.

However, it is not necessary to reinvent the wheel. As a starting point for the literature review regarding social entrepreneurship I took the article by Short, Moss & Lumpkin (2009), who already conducted a literature review regarding the concept of social entrepreneurship. They searched for articles that 'explicitly mentioned *social entrepreneurship, social entrepreneur, social venture, or social enterprise*' (Short et al., 2009, p. 162). Their research yielded 152 relevant articles from various domains. According to Short et al. (2009, p. 163-164), the most common domains (based on the number of published articles and citations) that contribute to social entrepreneurship research are: management, entrepreneurship, political science, economics, marketing and 'other business'. In order to review more recent literature (i.e. the period 2009-autumn of 2014), it is necessary to determine which are the most leading journals regarding the concept of social entrepreneurship. Based on Short et al. (2009, p. 163-164), I selected the top-twelve journals, from the most common domains, that yielded the most articles (58 out of 152) in the field of social entrepreneurship. In appendix I, one can find the top-twelve journals in the field of social entrepreneurship.

Unfortunately, regarding the concept of non-profit funding a proper literature review has not been conducted by scholars yet. Lindahl & Conley (2003) wrote an article that provided a literature review regarding philanthropic fundraising; however, this article cannot be taken as a starting point since philanthropic fundraising is a kind of subfield of funding non-profit organizations. Brudney & Herman (2004, p. 293) and Cornforth (2012, p. 1117) mentioned the three most leading non-profit journals. Brudney & Herman (2004, p. 294) mentioned also three other, more specialized, journals. In

appendix II, one can find five leading journals in the field of non-profit research; the journals behind the numbers 1-3 are the three most leading non-profit journals. Regarding the concept of service clubs, a literature review has also not been made yet. Since the concept of service clubs is related to the non-profit sector, I made use of the same leading journals (see appendix II) in order to conduct a literature review.

After identifying the leading journals in the field of social entrepreneurship, non-profit funding and service clubs, I started keyword search in those journals in order to identify relevant articles that had to be reviewed. Relevant articles could be articles that contain one or more of the keywords in the article titles, abstracts or 'keywords' of the articles themselves. Moreover, an article is really relevant if the central theme of that article is one of the concepts that are subject to a literature review. Regarding the concept of social entrepreneurship I used the same keywords as Short et al. (2009) did; social entrepreneurship, social entrepreneur, social venture, or social enterprise. This keyword search was focused on the period 2009 - autumn of 2014, since a decent literature review is already provided by Short et al. (2009). Regarding the concept of non-profit funding I used the following keywords: non-profit funding, revenue diversification, commercial activity and marketization. The search for literature regarding the concept of non-profit funding is not limited to a certain time period. Regarding the concept of service clubs I used the following keywords: service club(s), voluntary service organization(s), Rotary, Lions or Soroptimists. I chose for those three service clubs since they are the biggest service clubs in terms of membership numbers (Schuyt et al., 2007, p. 166). The search for literature regarding the concept of service clubs is also not limited to a certain time period. Note that the literature review does not cover whole 2014; the review was conducted in the autumn of 2014.

I searched each journal, as mentioned in appendices I and II, for the aforementioned keywords. After identifying relevant articles with the help of keyword search, and in accordance with Webster & Watson (2002), I found more relevant articles with the help of going backward and going for forward. Backward search took place in the top 10 of relevant articles identified with the help of keyword search. Forward search took place in the top 5 of relevant articles identified with help of keyword search and the top 5 articles identified by means of backward search. Since the keyword search for literature regarding the concept of social entrepreneurship is limited to a certain period of time and the article by Short et al. (2009) is taken as a starting point, it is noteworthy that backward search regarding this very concept took place in the top 10 of relevant articles identified with the help of keyword search and the article by Short et al. (2009). The top 10 of relevant articles identified with the help of keyword search and the top 5 articles identified by means of backward search are determined by means of a weighted average of the number of citations per article per year in Scopus, Web of Science and Google Scholar. The top 10 of relevant articles identified with the help of keyword search and the top 5 articles identified by means of backward search are in bold in appendices III, IV and V. Those appendices contain the results of the literature search. Note that articles that were found more than once in the total search process (i.e. keyword, backward and forward search) are mentioned only once. Since literature about social entrepreneurship is too extensive to be included fully in this study, I used as a rule that relevant articles found by means of backward and forward search are only included in appendix III if they exceed a number of 15 citations in Web of Science.

Regarding the concept of social entrepreneurship, 106 relevant articles were found that were published between 2009 and the autumn of 2014 or published earlier, but identified by means of backward and forward search. Regarding the concept of non-profit funding, 46 relevant articles were found. Finally, regarding the concept of service clubs, 9 relevant articles were found, 1 working paper and 1 dissertation. The results of the literature review regarding these concepts can be found below, in the sections 3.1, 3.2 and 3.3 respectively. Note that it is not possible to include all 106 and 46 articles in sections 3.1 and 3.2 respectively. So, I have limited myself to 17 articles in section 3.1 and 10 articles in section 3.2. So, 38 documents (mainly articles) were used for the systematic literature review of the following discourses: social entrepreneurship, non-profit funding and service clubs.

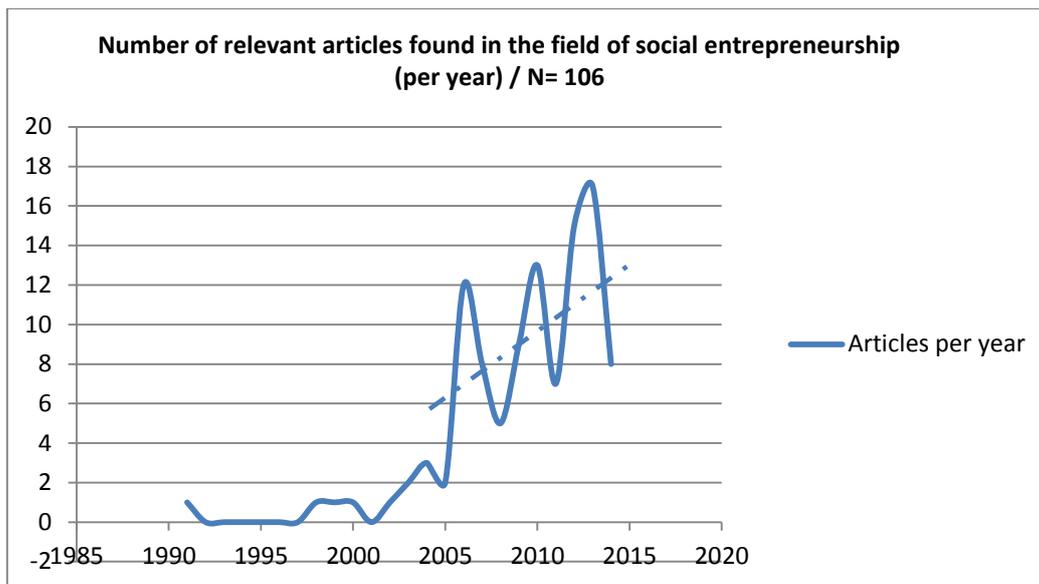
I realise that the selection of these articles is rather arbitrary. However, in the case of social entrepreneurship and non-profit funding, I selected those articles with the highest weighted averages in terms of the number of citations per article per year in Scopus, Web of Science and Google Scholar. Note that the discourses are based on these articles. Thus, not all these articles are equally relevant for this study.

At the end of each literature review, I draw some conclusions regarding the usefulness of the literature for this study. In the case of the social entrepreneurship discourse, I added a section with a few (3) articles in order to reflect my literature review against those articles. The aim of this reflection is to ensure that relevant theoretical insights published in other (more common) journals than the selected leading journals in the field of social entrepreneurship (more specific) are included in this study. Moreover, the article of Farkas (2012) is included in the literature review regarding service clubs. In total, this theoretical framework entails $38 + 3 + 1 = 42$ documents (predominately articles).

3.1 Social entrepreneurship discourse

In the previous section, a systematic approach for searching literature has been explained. Regarding the concept of social entrepreneurship, this approach yielded 106 relevant articles in this domain. First of all, it is noteworthy that, based on Short et al. (2009), some 'leading journals' did not meet the expectations. Keyword search (in the period 2009 - autumn of 2014) yielded 64 relevant articles; *Voluntas* (13), *Journal of Business Ethics* (13) and *Entrepreneurship Theory and Practice* (16) were responsible for 42 out of the 64 relevant articles; those leading journals, on contrary, did meet the expectations. All other 'leading journals', as presented appendix I, did not meet the reputation of leading journal regarding the concept of social entrepreneurship in the period 2009-2014. In figure 1, one can see the time span of the 106 relevant articles found. Based on this figure, one can conclude that social entrepreneurship can be characterized as still a recent field of inquiry; most of the relevant articles found are published in the period between 2005 up to the autumn of 2014. One might say that this is inherent to the delineation of the keyword search period. However, it was also possible that social entrepreneurship already has seen its glory days and that the article by Short et al. (2009) could be considered as a closing piece regarding this field of inquiry. Moreover, backward search yielded only a few articles that were written before 2005; if social entrepreneurship was not a recent field of inquiry anymore, I should have found more articles that were written before 2005.

Figure 1: distribution of the number of relevant articles found in the field of social entrepreneurship (per year)



This discourse is composed of 17 relevant articles (10 keyword search, 5 backward search and 2 forward search). Moreover, section 3.1.6 entails 3 articles in order to reflect my literature review against those articles, as mentioned earlier. The following sections capture this discourse. In section 3.1.7 conclusions are drawn regarding the usefulness of the literature for this study.

3.1.1 The social entrepreneurship definition debate

Until 2009, social entrepreneurship literature was dominated by conceptual articles; empirical studies regarding social entrepreneurship are scarce (Short et al., 2009, p. 161) and can be characterized as case studies and grounded theory approaches (Short et al., 2009, p. 168). Short et al. (2009, p. 166) state that ‘if the social entrepreneurship field is to progress, the next two decades should be characterized by unity in construct definition and by examining the social entrepreneurship construct through a variety of established theoretical lenses with clear boundary conditions’. Short et al. (2009, p. 168) believe that ‘social entrepreneurship research will remain in a developmental state if future research efforts fail to incorporate large sample empirical tests of the determinants and consequences of social entrepreneurship.’ Short et al. (2009, p. 169) advice to use a broad definition of social entrepreneurship as proposed by Mair & Marti (2006). Those authors state that social entrepreneurship can be considered as ‘a process involving the innovative use and combination of resources to pursue opportunities to catalyse social change and/or address social needs’ (Mair & Marti, 2006, p. 3). According to Mair & Marti (2006, p. 5), it is a misconception to think that social entrepreneurship is an expression of altruism, because social entrepreneurship could also include less altruistic aspects such as the personal fulfilment of social entrepreneurs. Social entrepreneurship catalyses social transformation by meeting social needs. Value creation embraces both social and economic aspects. Social value should be the main focus, while economic value creation is a necessary condition in order to ensure financial viability (Mair & Marti, 2006, p. 5). According to Mair & Marti, 2006, p. 7) social entrepreneurship could be based on not-for-profit as well as for-profit; the choice between a not-for-profit basis and a for-profit basis depends on the specific social needs to be addressed as well as the corresponding business model (Mair & Marti, 2006, p. 8). The main difference between entrepreneurship and social entrepreneurship ‘...lies in the relative priority given

to social wealth creation versus economic wealth creation'; social wealth creation should be the primary objective while economic value creation (i.e. earned income) is a necessary by-product that ensures the sustainability of the initiative (Mair & Marti, 2006, p. 8).

Santos (2012, p. 335) mentioned that social entrepreneurs are often addressing problems with a local expression, but with a global relevance such as the reintegration of the unemployed into the workforce, access to water and waste management. Santos (2012, p. 336) opposes other authors in the field of social entrepreneurship in the sense that he believes that there is a need for a new theory regarding social entrepreneurship. Authors like Dacin et al. (2010, p. 37) and Mair & Marti (2006, p. 40) argue that social entrepreneurship is related to other fields of inquiry, like social movement theory, institutional theory and cultural entrepreneurship and therefore should be seen as a context to study other appearances of entrepreneurship (Santos, 2012, p. 336). So, Santos (2012, p. 336) developed a positive, not normative, theory of social entrepreneurship. This means that he avoids assigning normative connotations of 'social' to one group of activities and withholding this designation to another group of activities. Santos (2012, p. 336-337) does not want judge whether a certain activity, helping people with a high-income for instance, is social or not. As a consequence, Santos (2012, p. 337) rejects the dichotomy between social value and economic value. Moreover, Santos (2012, p. 337) argues that economic value creation is inherently social since it contributes to the welfare of society and that it is '...more effective for theory development to focus on a generic concept of value, defined in terms of the increase in the utility of society's members'. So, Santos (2012) goes beyond the conception of Mair & Marti (2006), who argued the main difference between entrepreneurship and social entrepreneurship '...lies in the relative priority given to social wealth creation versus economic wealth creation' (Mair & Marti, 2006, p. 8). Instead of the traditional dichotomy between social and economic value, Santos (2012, p. 337-338) argues that the distinction between value creation and value capture can explain the difference between commercial and social entrepreneurship. According to Santos (2012, p. 337), value creation from an activity occurs '...when the aggregate utility of society's members increases after accounting for the opportunity cost of all the resources used in that activity' and value capture occurs '...when the focal actor is able to appropriate a portion of the value created by the activity after accounting for the cost of resources that he/she mobilized'. Value creation is measured on the societal level, while value capture is measured at the organizational level; this means that value capture can be considered as profit of a particular firm/organization (Santos, 2012, p. 337). Moreover, Santos (2012, p. 337) states that '...value creation is a necessary condition for sustainable value capture. Activities that allow value capture without value creation will be considered illegitimate and probably quickly outlawed due to their burden to society'. This differs from the conception of Mair & Marti (2006, p. 5), who stated that social value is the main focus, while economic value creation is explicitly a necessary condition in order to ensure financial viability. However, Santos (2012, p. 337) recognises that it is important to capture some level of value in order to ensure the survival of the organisation, whose activities create value. According to Santos (2012, p. 338-339), organizations need to be clear about their primary goal: value creation or value capture and argues that '...organizational entities will have a predominant focus on either value creation or value capture'. Subsequently, social entrepreneurship distinguishes itself from commercial entrepreneurship by a predominant focus on value creation instead of value capture (Santos, 2012, p. 339). According to Santos (2012, p. 340), activities with a low potential for value capture, but with a high potential for value creation are well suited for economic actors with a value creation focus, such as social entrepreneurs. So, Santos (2012) has a

significantly different conception of social entrepreneurship than Mair & Marti (2006), who argued the main difference between entrepreneurship and social entrepreneurship ‘...lies in the relative priority given to social wealth creation versus economic wealth creation’ (Mair & Marti, 2006, p. 8) Santos (2012, p. 340-341) elaborated about the economic system and the invisible hand of the economy in order to point at positive and negative externalities, which occur as by-products of economic activities. Examples of a negative externalities are: waste (dumping) and traffic jams as a consequence of excessive car usage; an example of a positive externality is the under provision of vaccination and education (Santos, 2012, p. 341). Negative externalities can be restrained by legislation and taxes, while positive externalities can be solved by providing subsidies. However, resources of governments are scarce and this means that some externalities are likely to be neglected; Santos (2012, p. 341-342) suggests that social entrepreneurship is the mechanism that should address neglected problems with positive externalities, particularly in those areas in which the ‘...potential for value capture is lower than the potential for value creation because the benefits for society of the activity go much beyond the benefits accrued to the entrepreneurs’. Subsequently, Santos (2012, p. 343) states that social entrepreneurs are more likely to operate in those areas ‘...with localized positive externalities that benefit a powerless segment of the population’, such as minorities and isolated populations; governments often neglect such positive externalities. As a consequence, it should be clarified that social entrepreneurship is not about helping disadvantaged segments of the population, but it is about addressing neglected problems with positive externalities (Santos, 2012, p. 343). So, it is possible that social entrepreneurship entails helping disadvantaged segments of the population since they are affected by neglected problems with positive externalities. However, this is not necessarily the case and social entrepreneurship could also be detected when advantaged segments of the population are helped, provided that neglected problems with positive externalities are addressed.

The predominant focus on value creation instead of value capture has, according to Santos (2012, p. 345), implications for the way in which social entrepreneurs act. Social entrepreneurs strive for finding a sustainable solution to the problems addressed instead of attaining a sustainable advantage for their own organization (i.e. commercial entrepreneurship). As a consequence, Santos (2012, p. 346) predicts that the unit of analysis in social entrepreneurship research is in accordance with this. This means that a certain solution or underlying business model is the unit of analysis in social entrepreneurship research, while in commercial entrepreneurship research the unit of analysis is often the organisation. Moreover, social entrepreneurs are likely to adopt a logic of empowerment of others, while commercial entrepreneurs are likely to adopt a logic of control. Commercial entrepreneurs seek to control the value chain of a certain industry in order to capture enough value; Porter’s five forces framework is illustrative for this logic of control (Santos, 2012, p. 346). Social entrepreneurs, on contrary, try to achieve their goal(s) by empowering ‘...beneficiaries and potential stakeholders to become an integral part of the solution’ (Santos, 2012, p. 347). It is noteworthy that it concerns the empowerment of actors outside the organizational boundaries. According to Santos (2012, p. 346) empowerment can be defined as the ‘...process of increasing the assets and capabilities of individuals or groups to make purposive choices and to transform those choices into desired actions and outcomes’. According to Santos (2012, p. 347), solutions proposed by social entrepreneurs are often built on the logic of empowerment instead of the logic of control. In table 1, one can find the different institutional actors in modern capitalist economies as proposed by Santos (2012, p. 348). This table makes clear how charity differs from social entrepreneurship.

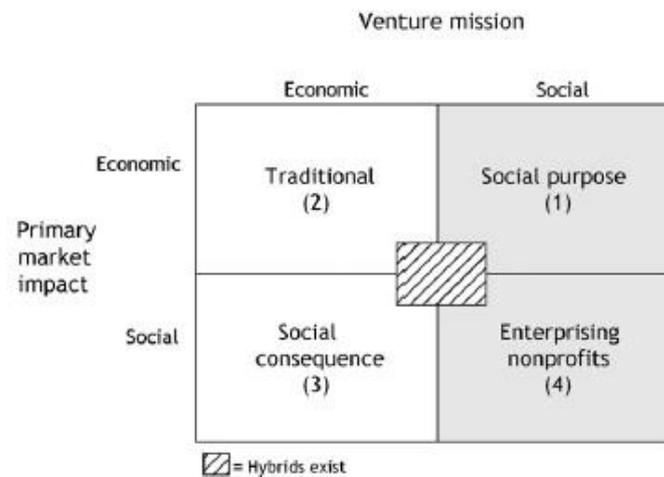
Table 1: institutional actors in modern capitalist economies (Santos, 2012, p. 348)

Characteristics	Governments	Charity	Commercial entrepreneurship	Social activism	Social entrepreneurship
Distinct role in economic system	Centralized mechanism through which the infrastructure of the economic system is created and enforced (and public goods provisioned)	Distributed mechanism through which economic outcomes are made more equitable despite uneven resource endowments	Distributed mechanism through which society's resources and skills are allocated to the most valued activities	Distributed mechanism through which behaviors that bring negative externalities are selected out	Distributed mechanism through which neglected positive externalities are internalized in the economic system
Dominant institutional goal	Defend Public interest	Support disadvantaged populations	Achieve competitive advantage	Change social system	Deliver sustainable solution
Dominant logic of action	Regulation	Goodwill	Control	Political action	Empowerment

According to Peredo & McLean (2006, p. 2), social entrepreneurs are people who act entrepreneurially in pursuit of social value. They define social entrepreneurship as '(...) an activity aimed primarily at the creation of social value over and above the usual positive externalities of profit-seeking business. It involves alertness to the need for social good and the means to create it, as well as innovation, willingness to bear risk, and resourcefulness in the face of scarce assets.' An example of positive externalities of profit-seeking firms is employment (Peredo & McLean, 2006, p. 4). Such a positive externality can be characterized as usual and is, according to Peredo & McLean (2006), not the creation of social value; this is also supported by Neck et al. (2009, p. 15). Peredo & McLean (2006, p. 5) argue that social entrepreneurship is incorrectly affiliated with solely the not-for-profit sector, because it is difficult to '(...) see how crossing the border between not-for-profit and for-profit operations disqualifies an entrepreneur as social'. This is in the tradition of Santos (2012), who does not want to determine what is social and what is not. Moreover, it is not obvious that the creation of social value also leads to the creation of a new organisation, like a social enterprise; a social entrepreneurial initiative can also occur within the structure of an existing organisation, whether it is a for-profit, not-for-profit or public organisation (Peredo & McLean, 2006, p. 6).

Neck et al. (2009, p.15) introduced a typology of ventures in order to clarify the landscape of social entrepreneurship based on two dimensions: outcomes and mission. The authors outline the process of entrepreneurship as follows: acting on an opportunity, acquiring resources and building a team that creates value (Neck et al., 2009, p. 14). Moreover, they consider the environment as a social problem and thus as a part of the social entrepreneurial domain (Neck et al., 2009, p. 14). The four types of entrepreneurial ventures are: social purpose ventures, traditional ventures, social consequence ventures and enterprising non-profits (Neck et al., 2009, p. 15). In addition, the authors believe that hybrid forms of entrepreneurial ventures exist. The following figure shows this typology.

Figure 2: venture typology (Neck et al., 2009, p. 15)



According to Neck et al. (2009, p. 15), the social purpose venture aims to solve a social problem. Meanwhile this venture is for-profit in nature and has an economic impact on the market. The traditional ventures, on contrary, do not have an explicit social mission beyond running a profitable business; they are focused on an economic mission and its corresponding economic impact. Financial performance is often the most important performance indicator (Neck et al., 2009, p. 15). Many of the practices of social consequence ventures have social outcomes; these outcomes are not related to the firm's existence, but are a consequence of doing business. Firms that focus on corporate social responsibility are likely to be social consequence ventures (Neck et al., 2009, p. 15). Enterprising non-profits are organisations with income generating activities that meet the general principles of entrepreneurship. Moreover, the focus of enterprising non-profits is on economic sustainability and growth; venture philanthropists are typical founders of this kind of ventures (Neck et al., 2009, p. 15-16). As mentioned earlier, hybrid forms, based on this typology, exist. More importantly, Neck et al. (2009, p. 16) '(...) believe that social purpose ventures and enterprising non-profits are the particular domain of social entrepreneurship'. Although social purpose ventures try to solve problems, they contribute, compared to the other types of ventures, the least to the economy in terms of job creation (Neck et al., 2009, p. 16). This nuances the definition of social entrepreneurship by Peredo & McLean (2006, p. 4) in such way that job creation can be seen as a usual positive externality, but that it is more usual in the case of traditional ventures than in the case of social purpose ventures. Three factors that influence engagement in social entrepreneurial activity are: opportunity sources, stakeholder salience and performance metrics (Neck et al., 2009, p. 16). Social problems in society and environmental problems concerning our planet yield opportunities for social entrepreneurs. Neck et al. (2009, p. 17) argue that 'an entrepreneurial mind-set and deep understanding of social problems, combined, can help an entrepreneur leverage a host of opportunities to start and grow social purpose ventures or enterprising non-profits'. The extent to which the needs of stakeholders are prioritized by a venture, stakeholder involvement in a venture, and pro-activeness with which it emphasizes value creation to stakeholders are aspects that will move a venture towards a greater social mission (Neck et al., 2009, p. 17). Social problems are so-called wicked problems that are not solved independently, but by multiple stakeholders that collaborate. It is therefore important to generate value for salient stakeholders and, when evaluating social entrepreneurial opportunities, to

understand for whom value is created and in which way (Neck et al., 2009, p. 17). Finally, it is important to choose performance metrics that go beyond traditional financial measures, like profit and sales. In the case of social ventures, social and environment impact need to be measured by own non-financial metrics. This depends on the social venture's mission, industry and ideal impact.

Based on Roberts & Woods, Dacin et al. (2011, p. 1204) noticed that regarding the examination of social entrepreneurship '(...) there is no proven method, code of practice or core business model to follow'. Moreover, they also formulate social entrepreneurship as a social value creating activity that provides solutions to social problems/needs (Dacin et al., 2011, p. 1204). Contrary to Santos (2012), Dacin et al. (2011, p. 1205) believe that there is an hierarchical ordering of economic and social value creation although they also recognize that economic value is vital for the creation of social value. Dacin et al. (2011, p. 1206) formulated some several research opportunities. First of all, they suggest ways to explore connections between institutional ideas and social movement approaches. Dacin et al. (2011, p. 1207) argue that social movement approaches provide conceptual tools that can be used in order to examine the way in which social entrepreneurship dismantles and/or challenges institutions. Secondly, the authors support the use of network theories in order to understand the context of social entrepreneurship. According to Dacin et al. (2011, p. 1208) network theories regarding conflict resolution over resources, competing goals within social entrepreneurial networks and networks of power are relevant when social enterprises want to grow or expand to new locations. Thirdly, the authors recommend involving cultural approaches into the study of social entrepreneurship. Rituals and narratives are important for transferring social meaning and social value creation. On contrary, Dacin et al. (2011, p. 1209) argue that stories of heroic social entrepreneurs has distorted academic work on social entrepreneurship. Fourthly, the authors suggest to focus on issues of image and identity; these issues are ignored in the literature regarding social entrepreneurship. As an example, Dacin et al. (2011, p. 1210) mention the process of building a personal brand as a social entrepreneur. Dacin et al. (2011, p. 1211) conclude that these research opportunities are favourable directions for scholars who are interested in pursuing social entrepreneurial research.

Austin et al. (2006) made a comparative analysis between social and commercial entrepreneurship. They define social entrepreneurship as an '...innovative, social value creating activity that can occur within or across the non-profit, business, or government sectors' (Austin et al., 2006, p. 2). Subsequently, Austin et al. (2006, p. 2-3) formulated four propositions, based on four different variables, in order to guide the comparison. Regarding market failure, they propose that it will create different entrepreneurial opportunities for both types of entrepreneurship (i.e. commercial and social entrepreneurship). Regarding mission, they propose that differences in mission can be considered as a fundamental distinguishing feature between both types of entrepreneurship that will occur in enterprise management and personnel motivation. Regarding resource mobilisation, they propose that human and financial resource mobilisation will be a prevailing difference that, as a consequence, will lead to fundamental different approaches in managing those resources. Finally, regarding performance measurement, they propose that performance measurement of social impact will remain a fundamental differentiator, leading to impeding stakeholder relations and accountability. Austin et al. (2006, p. 3) argue that the distinction between commercial and social entrepreneurship is not dichotomous per se, but more like a continuum and state that '...even at the extremes, however, there are still elements of both. That is, charitable activity must still reflect

economic realities, while economic activity must still generate social value'. Austin et al. (2006, p. 15) came to the conclusion that there are many commonalities between social and commercial entrepreneurship, but that there are also important differences related to their original propositions. This is contrary to Dacin et al. (2010) who believe that social entrepreneurship is not a distinct type of entrepreneurship; they see social entrepreneurship as a context in which established types of entrepreneurs operate. Not one year later, they, with one other author, remarkably state that scholars '(...) need to articulate the theoretical benefits of a focus on social entrepreneurship as distinct from other forms of entrepreneurship' (Dacin et al., 2011, p. 1204).

Regarding mission and market failure, Austin et al. (2006, p. 6) notice that in social entrepreneurship, the focus is on social returns, while a commercial entrepreneur's focus is primarily on economic returns. Moreover, they state that 'commercial entrepreneurship tends to focus on breakthroughs and new needs, whereas social entrepreneurship often focuses on serving basic, long-standing needs more effectively through innovative approaches' (Austin et al., 2006, p. 6). A market failure is leading for a social entrepreneur, while a growing and/or attractive market is leading for a commercial entrepreneur. Regarding performance measurement, Austin et al. (2006, p. 9) mention that social entrepreneurs are not often rewarded for good performance in the form of more funding. Moreover, impact and performance is hard to measure in the societal sector. Austin et al. (2006, p. 9) state that 'while the social marketplace may not reward entrepreneurs for superior performance as readily as the commercial marketplace does for commercial entrepreneurs, neither does inferior performance get punished as readily'. Regarding resource mobilisation, Austin et al. (2006, p. 11) argue that social entrepreneurs, in their quest for resources for the social cause, rely on a network of contact that will help in providing access to funding, staff and board members. In contrast to commercial entrepreneurs, social entrepreneurs do not possess the financial resources in order to attract and retain talent, corresponding market rates cannot be paid, nor are social entrepreneurs be able to offer equity incentives like stock options (Austin et al., 2006, p. 11). In addition, in the case of social enterprises, key functions are often held by volunteers. 'Social entrepreneurs often rely heavily upon a range of funding sources, including individual contributions, foundation grants, member dues, user fees, and government payments' (Austin et al., 2006, p. 12). The key motivation for commercial entrepreneurs and financial actors involved is to build a profitable firm with a sustainable competitive advantage in order to earn a return on investment that is higher than saving money; in order to reach this, commercial entrepreneurs have more channels and more sources of capital than social entrepreneurs have in order to strive for the social cause (Austin et al., 2006, p.12). In summary, social entrepreneurs have to cope with more constraints, like fewer financial institutions and resources, limited access to talent and scarce unrestricted funding. This means that social entrepreneurs are more hindered in achieving its goal than commercial entrepreneurs are. In order to cope with this, some social entrepreneurs choose a for-profit organisational form (Austin et al., 2006, p.12).

3.1.2 Social bricolage in the context of social entrepreneurship

According to Di Domenico et al. (2010, p. 682-683), social enterprises are socially driven business and have four characteristics in common. First of all, revenue generation strategies are based on trading. Secondly, social enterprises pursue environmental and social goals; social purpose is pursued by means of commercial activity and that ensures that social outcomes are integral to their economic

performance. Thirdly, in addition to the delivery of products and services, social enterprises strive for the enhancing cohesion in communities and increasing social capital. Fourthly, social enterprises are often faced with resource scarcity. Based on Lévi-Strauss, Di Domenico et al. (2010, p. 684) states that the process of bricolage can be characterized as ‘making do with what is at hand’. For instance, one can make something out of the resources at hand. Moreover, bricolage is also characterized by the refusal to enact (or be constrained by) limitations; in the case of social entrepreneurship it is the attempt to counteract market failure (Di Domenico et al., 2010, p. 686). The refusal to enact (or be constrained by) limitations and the ‘making do’ – principle are strongly related to the concept of improvisation (Di Domenico et al., 2010, p. 686). So, ‘...the concept of bricolage is characterized by the constructs of making do, refusal to enact (or be constrained by) limitations, and improvisation’ (Di Domenico et al., 2010, p. 687). The empirical analysis made by Di Domenico et al. (2010, p. 687) made clear that those constructs are applicable to social entrepreneurship, but that three other constructs are also important. These are: persuasion, stakeholder participation and social value creation. According to Di Domenico et al. (2010, p. 695), social value creation is considered to be a defining characteristic of social enterprises. Santos (2012) elaborated, as you may have read earlier in this chapter, on this in more detail. Moreover, social entrepreneurs involve stakeholders ‘... in the creation, management, and governance of their social enterprise’ (Di Domenico et al., 2010, p. 695). Finally, persuasion is used by social entrepreneurs to convince stakeholders of the business case that should lead to social value creation or to convince stakeholders of the potential of assets and resources (Di Domenico et al., 2010, p. 695). In table 2 below, one can read the conceptual framework of social bricolage in the context of social entrepreneurship.

Table 2: proposed conceptual framework of social bricolage in the context of social entrepreneurship (Di Domenico et al, 2010, p. 698)

Proposed principles and processes of social bricolage	Explanation
Making do with limited resources available and creating something from nothing for a social end	Combination of resources/making do with the limited resources at hand. Creating something from nothing such as creating a new market or providing a new service where none existed beforehand; using discarded, disused, or unwanted resources for new purposes; and using “hidden” or untapped local resources that other organizations fail to recognize, value, or make adequate use of.
Refusal to be constrained by limitations imposed by pervading environmental constraints in pursuit of social goal	Refusing to be constrained by limitations by trying out solutions as tactical responses to pervading institutional structures/rules; subverting the limitations imposed by available resource environments particularly in their ability to create social value
Improvisation to enable active pursuit of social purpose	Improvising through “best-fit” approaches within the constraints of the limited resources available. Process of trial and error.
Creation of social value	Generating employment opportunities, work integration, skills development, training and development, social capital, and community cohesion
Stakeholder participation	Governance structures and decision making, board membership, strategy determination, and implementation
Persuasion of other significant actors to leverage acquisition of new resources and support	Persuading other actors within the resource environment of the business case for social value creation

As mentioned in the introduction of this thesis, Zahra et al. (2009, p. 522) define social entrepreneurship as ‘(...) the activities and processes undertaken to discover, define, and exploit opportunities in order to enhance social wealth by creating new ventures or managing existing organizations in an innovative manner’. According to Zahra et al. (2009, p. 522) different types of social entrepreneurs exist that address social problems in their own ways. The ability to inspire, marshal and mobilize the efforts of commercial and non-commercial partners, donors, volunteers and employees in the pursuit of social wealth is one of the greatest skills of many social entrepreneurs (Zahra et al., 2009, p. 523). The authors also state that building collaborative relationships to implement social initiatives is necessary in order to be successful. Social entrepreneurs can also be focused on creating organizations that cope with these issues or on local issues. At least, it shows the diversity of social entrepreneurs; a typology helps with reflecting this diversity. Zahra et al. (2009, p. 523-527) distinguish three types of social entrepreneurs: the Social Bricoleur, the Social Constructionists and the Social Engineer; they all strive for social issues but differ from each other when it comes down to the way in which they discover social needs (i.e. search processes); pursuing social opportunities and the way in which they impact the broader social system. Detecting and addressing small-scale local social needs is usually the focus of Social Bricoleurs; Social Constructionists are aimed at exploiting market failures and opportunities by filling gaps to underserved clients in order to penetrate the broader social system with reforms and innovations; by introducing revolutionary change, Social Engineers address problems within existing social structures (Zahra et al., 2009, p. 519). Zahra et al. (2009, p. 523-527) explain what these types of social entrepreneurs do; what their scale, scope and timing is, why they are necessary; what their social significance is; what their effect is on the social equilibrium (i.e. the existence of social peace and order) and what sources and limits of discretion are. The typology made by Zahra et al. (2009, p. 523) can be found in the table below.

Table 3: three types of social entrepreneurs according to Zahra et al. (2009, p.523).

Type	Social Bricoleur	Social Constructionist	Social Engineer
Theoretical inspiration	Friedrich Hayek	Israel Kirzner	Joseph Schumpeter
What they do?	Perceive and act upon opportunities to address local social needs by which they are motivated and have the expertise and resources to address.	Build and operate alternative structures to provide goods and services addressing social needs that governments, agencies, and businesses cannot.	Creation of newer, more effective social systems designed to replace existing ones when they are ill-suited to address significant social needs.
Scale, scope and timing	Small scale, local in scope - often episodic in nature.	Small to large scale, local to international in scope, designed to be institutionalized to address an ongoing social need.	Very large scale that is national to international in scope and which seeks to build lasting structures that will challenge existing order.
Why they are necessary?	Knowledge about social needs and the abilities to address them are widely	Laws, regulation, political acceptability, inefficiencies and/or lack of will prevent	Some social needs are not amenable to amelioration within existing social structures. Entrenched incumbents can

	scattered. Many social needs are non-discernible or easily misunderstood from afar, requiring local agents to detect and address them.	existing governmental and business organizations from addressing many important social needs effectively.	thwart actions to address social needs that undermine their own interests and source of power.
Social Significance	Collectively, their actions help maintain social harmony in the face of social problems	They mend the social fabric where it is torn, address acute social needs within existing broader social structures, and help maintain social harmony.	They seek to rip apart existing social structures and replace them with new ones. They represent an important force for social change in the face of entrenched incumbents.
Effect on Social Equilibrium	Atomistic actions by local social entrepreneurs move us closer to a theoretical "social equilibrium."	Addressing gaps in the provision of socially significant goods and service creates new "social equilibriums."	Fractures existing social equilibrium and seeks to replace it with a more socially efficient one.
Source of Discretion	Being on the spot with the skills to address local problems not on others' "radars." Local scope means they have limited resource requirements and are fairly autonomous. Small scale and local scope allows for quick response times.	They address needs left un-addressed and have limited/no competition. They may even be welcomed and be seen as a "release valve" preventing negative publicity/social problems that may adversely affect existing governmental and business organizations.	Popular support to the extent that existing social structures and incumbents are incapable of addressing important social needs.
Limits to Discretion	Not much aside from local laws and regulations. However, the limited resources and expertise they possess limit their ability to address other needs or expand geographically.	Need to acquire financial and human resources necessary to fulfil mission and institutionalize as a going concern. Funder demands oversight. Professional volunteers and employees are needed to operate organization.	Seen as fundamentally illegitimate by established parties that see them as a threat, which brings scrutiny and attempts to undermine the ability of the social engineers to bring about change. The perceived illegitimacy will inhibit the ability to raise financial and human resources from traditional sources. As a consequence, they may become captive of the parties that supply it with needed resources.

3.1.3 Opportunity identification and exploitation in the context of social entrepreneurship

According to Corner & Ho (2010, p. 635), opportunity identification in order to solve social problems or create social value is an important aspect of social entrepreneurship. Regarding opportunity recognition, social entrepreneurship is similar to commercial entrepreneurship; opportunity recognition is the starting point of the entrepreneurial process (Corner & Ho, 2010, p. 635). However, according to the authors, the process of opportunity identification by social entrepreneurs did not

have much attention in literature. Corner & Ho (2010, p. 643) found four patterns in order to describe how opportunities to create social value are identified and exploited; one overarching pattern and three sub-patterns. The overarching pattern found is opportunity development; it involves growing and advancing an idea for social value creation over time (Corner & Ho, 2010, p. 643). Corner & Ho (2010, p. 654): 'the phases through which opportunities developed were not simply the opportunity identification and exploitation phases that are classically modelled in the commercial entrepreneurship literature'; opportunities were not clearly delineated. Moreover, opportunities are often not purely created or discovered (Corner & Ho, 2010, p. 645). The second pattern found is collective action, which is characterized by the involvement of multiple actors in the innovation episode. The reason for collective action lies in the fact that '...knowledge needed in each innovation episode was not possessed by a single person but was dispersed across multiple actors' (Corner & Ho, 2010, p. 651). Collective action is more or less similar to stakeholder participation in the process of social bricolage as described by Di Domenico et al. (2010). The third pattern found is experience corridors and is linked to the concept of collective action. According to Corner & Ho (2010, p. 652), the experience of a social entrepreneur and/or its surrounding shape(s) opportunity development. The concept of experience corridors is an extension of the concept of knowledge corridors, the latter stems from the commercial entrepreneurship literature. The fourth pattern found is the spark, which is '...the moment of insight when the idea surfaced for a possible new way to create [social] value' (Corner & Ho, 2010, p. 653). The spark is often at least a few steps away from the opportunity that is finally developed (Corner & Ho, 2010, p. 655). According to Corner & Ho (2010, p. 656), the 'patterns in opportunity development derived from the data appeared consistent with descriptions of social entrepreneurship as a messy, complex, emergent process to implement social value...'.

Murphy & Coombes (2009, p. 326) define social entrepreneurship as '... as the creation and undertaking of a venture intended to promote a specific social purpose or cause in a context of mobilization'. This differs from the positive theory of social entrepreneurship as proposed by Santos (2012); he did not want to be in the situation to delineate that social purpose. Like Corner & Ho (2010), Murphy & Coombes (2009, p. 327) argue that in literature no attention is paid to the nature of social venture opportunities. Therefore, they offer a conceptual model of social entrepreneurial discovery. Those discoveries show up by means of emergence instead of process-outcomes. According to Murphy & Coombes (2009, p. 327), and in accordance with Corner & Ho (2010) and Di Domenico et al. (2010), the concept of mobilisation is crucial in social entrepreneurial discovery; voluntary public support of a social cause is necessary in order to bring together different resources. Moreover, timing is important; opportunities can be discovered too early or too late. According to Murphy & Coombes (2009, p. 329), social ventures can operate in different forms: for-profit, non-profit and hybrid.

3.1.4 Empirical studies related to social entrepreneurship

Meyskens et al. (2010, p. 662) used the resource-based view in order to analyse empirically social entrepreneurship operational processes. According to Meyskens et al. (2010, p. 662), social entrepreneurship addresses neglected societal needs and as a consequence it creates social value, while commercial entrepreneurship creates economic value. Meyskens et al. (2010) thus supports

the traditional dichotomy between social value and economic value. The resource-based view stipulates that combinations of a firm's resources (i.e. inputs) are transformed into products and services (i.e. outputs) in order to achieve a sustainable competitive advantage (Meyskens et al., 2010, p. 663). Meyskens et al. (2010, p. 663) states that 'although commercial and social venture inputs and outputs are distinctive on some level, this study empirically suggests that the value-creating resource-based operational processes, information flows, and operational behaviours involved in creating value are more similar than different'. Five clusters of variables were composed and empirically tested by Meyskens et al. (2010). These clusters are: funding sources (i.e. financial capital), organisational structure, partnerships, innovativeness and knowledge transferability, and they '....provided a means to assess resource-based operational processes of social ventures that are important in achieving venture goals' (Meyskens et al., 2010, p. 667). The results of their study show that correlations between clusters are '...similar to those found in commercial ventures and suggest that social entrepreneurs utilize resource bundles in similar ways as do commercial entrepreneurs' (Meyskens et al., 2010, p. 671). So, all types of entrepreneurs (social or commercial) depend upon interlinked resources in order to create value. The study of Meyskens et al. (2010, p. 673) made clear that the Resource Based View is appropriate in order to evaluate resources in the context of social entrepreneurship. Moreover, they state that social entrepreneurship is, given the similar resource-based operational processes found in comparison with commercial entrepreneurship, not a unique field.

Moss et al. (2011) explored the identities of externally recognized social enterprises by means of a content analysis of the mission statements of those enterprises. Their study revealed that social enterprises can be characterized by dual identities. Those enterprises often combine a utilitarian organizational identity with a normative organizational identity (Moss et al., 2011, p. 817); a utilitarian organizational identity is product-oriented and entrepreneurial in nature, while a normative organizational identity is people-oriented and social in nature (Moss et al., 2011, p. 807-808). A post-hoc analysis of the mission statements of high-performing commercial enterprises suggests that social enterprises, in comparison to commercial enterprises, '...are more likely to emphasize normative perspectives, although they maintain relatively equal levels of utilitarian manifestations in their mission statements' (Moss et al., 2011, p. 817-818).

Nga & Shamuganathan (2010, p. 259) determined which personality traits influence the start-up intentions of social entrepreneurs. According to Nga & Shamuganathan (2010, p. 266), 'personality traits are enduring, predictable characteristics of individual behaviour that explain differences in individual actions in similar situations'. This examination is done by means of the Big Five personality trait dimensions, which are: openness, agreeableness, neuroticism, conscientiousness and extroversion. Openness is about the affinity towards new experiences; agreeableness is about the ability to strive for social consensus while maintaining mutual respect and trust; neuroticism is the extent to which an individual is emotional stable; conscientiousness is about the accuracy of a person and the willingness to meet high standards of performance; extroversion refers to the assertiveness of an individual, it's positive attitude and sociability (Nga & Shamuganathan, 2010, p. 266-268) These personality traits are the independent variables of the study. The dependent variables are five dimensions which characterize social entrepreneurship, namely: social vision, sustainability, social networking, innovativeness and financial returns (Nga & Shamuganathan, 2010, p. 263-266). According to Nga & Shamuganathan (2010, p. 274-275), certain personality traits such as

agreeableness, openness and conscientiousness exert an influence on social entrepreneurship dimensions. To be more precise: agreeableness influences all five dimensions of social entrepreneurship in a significantly positive way; openness has a positive influence of innovation, social vision and financial returns. As a consequence of these findings, Nga & Shamuganathan (2010, p. 278) conclude that there is a need to make business students aware of these personality traits in order to foster greater social entrepreneurial spirit.

Kerlin (2010, p. 162) compared the ‘...emerging concept, practice, and context of social enterprise across seven regions and countries of the world’. Those areas are: the United States, East-Central Europe, Japan, Western Europe, Argentina, Zimbabwe, Southeast Asia and Zambia. Kerlin (2010, p. 164) defines social enterprises broadly, namely: the use of market-based approaches to address social issues. According to Kerlin (2010, p. 164), the ‘...idea of revenue generation in the service of charitable activities is not a new concept. However, the contemporary application of the term “social enterprise” to this phenomenon is new’. Kerlin (2010, p. 164) proposes that regional socioeconomic contexts reflect the differences found in social enterprises that are active in various regions of the world. Kerlin (2010, p. 169) took six variables that help to characterize the differences between social enterprises. These variables are: strategic development base, legal framework, program area focus, common organizational type, outcome emphasis and societal sector. The strategic development base refers to the funding source of a social enterprise; legal framework refers to the presence of legal designations for social enterprises in a certain country/region; the program area focus refers to the type of activity that, in general, is supported by a social enterprise; common organizational type refers to the most common legal form used in order undertake social entrepreneurial activities; outcome emphasis refers to the general goal in implementing a social enterprise activity compared to other regions; societal sector refers to the sector which is most commonly affiliated with social enterprises in a certain country/region. The results of the comparison of social enterprises in seven world regions and countries can be found in the table below.

Table 4: comparison of social enterprises in seven world regions and countries (Kerlin, 2010, p. 170)

	United States	Western Europe	Japan	East-Central Europe	Argentina	Zimbabwe/ Zambia	Southeast Asia
Outcome emphasis	Sustainability	Social benefit	Social/economic benefit	Social benefit	Social/economic benefit	Self-sustainability	Sustainable development
Program area focus	All nonprofit activities	Human services/employment	Human services/employment	Human services/employment	Human services/employment	Employment	Employment/human services
Common organizational type	Nonprofit/company	Association/cooperative	Nonprofit/company	Association/cooperative	Cooperative/mutual benefit	MFI ² /small enterprise	Small enterprise/association
Legal framework	Under discussion	Developing	Not yet considered	Developing	Not yet considered	Not yet considered	Not yet considered
Societal sector	Market economy	Social economy	Market economy	Social economy	Social economy	Market economy	Market economy
Strategic development base	Foundations	Government/EU	Government	International donors/ EU	Civil society	International donors	Mixed

According to Kerlin (2010, p. 166), social enterprises that are active in a certain society are more or less associated with the following four elements: state capacity, market functioning, civil society and international aid. The next step in Kerlin’s analysis is to link these elements to regional characteristics as mentioned in the table above in order to identify a certain social enterprise model. This leads to the positioning of social enterprises with respect to those four elements; see figure 3.

Figure 3: relative position of social enterprises in seven world regions and countries with regard to the elements: market, state, civil society and international aid (Kerlin, 2010, p. 172)



Finally, the different social enterprise models for each of the regions are compared with their corresponding ratings for the four socioeconomic factors; civil society, international aid, state capability and market performance. The result is that a region’s social enterprise model, almost without exception, reflects the strongest of the four socioeconomic factors in a particular region (Kerlin, 2010, p. 175). In the next table, this comparison is presented.

Table 5: comparative overview of social enterprise models and four socioeconomic factors for seven world regions and countries (Kerlin, 2010, p. 176)

	United States	Western Europe	Japan	East-Central Europe	Argentina	Zimbabwe/Zambia	Southeast Asia
Social enterprise model	Civil Society/Market	Civil Society/State	Civil Society/Market/State	Civil Society/Int'l Aid	Civil Society	Market/Int'l Aid	Market/Civil Society/Int'l Aid
Market performance	Strong	Strong	Strong	Weak	Weak	Weak	Weak
International aid	None	None	None	Strong	Weak	Mostly strong	Weak
State capability	Strong	Strong	Mostly strong	Mostly weak	Weak	Weak	Weak
Civil society	Strong	Strong	Moderate	Moderate	Moderate	Weak	Weak

Words appearing in bold indicate the dominant socioeconomic factors relative to the given social enterprise model

So, as it is concluded by Kerlin (2010, p. 177), ‘...differences in the regions appear to be explained at least in part by the variation in regional socioeconomic contexts. Importantly, social enterprise appears to draw on those dominant socioeconomic factors that offer the most strength in a given region or country’.

3.1.5 Social entrepreneurship and isomorphism

According to Nicholls (2010, p. 611) the field of social entrepreneurship has yet to achieve a paradigmatic consensus; moreover, it lacks clear epistemology (i.e. the study of knowledge). This pre-paradigmatic phase of development suggests that social entrepreneurship is currently representing a ‘...fluid institutional space for dominant actors to shape and exploit’ (Nicholls, 2010, p. 612). According to Nicholls (2010, p. 617), paradigm building in the field of social entrepreneurship is influenced by a different isomorphic pressure that is called reflexive isomorphism. This kind of pressure suggests that dominant organizations can shape the legitimacy of an emergent field to reflect their own institutional logics and norms’. The dominant paradigm building actors are: government, foundations, fellowship organisations and network organisations (Nicholls, 2010, p. 618-620). Subsequently, Nicholls (2010, p. p. 620) analysed the public statements of those dominant paradigm building actors; this analyses revealed two clusters based upon ideal-type organizational models and narrative logic. Regarding the narrative logic of social entrepreneurship two distinctive discourses can be distinguished, namely: a hero entrepreneur discourse (i.e. qualities of individual social entrepreneur) and a community discourse (i.e. bottom-up solutions). Regarding the cluster of ideal-type organizational models, two distinctive discourses can be identified, namely: a business-like approach to social entrepreneurship and social change approach to social entrepreneurship. According to Nicholls (2010, p. 624), ‘...a small number of actors are shaping the discourses and institutional logics of the field [of social entrepreneurship in order] to reflect their own internal logics and to align with their own legitimating norms in a process of reflexive isomorphism’. This is represented in table 6. In summary, Nicholls (2012, p. 625) made clear that the field of social entrepreneurship is in a pre-paradigmatic state of development; actors with a lot of resources are thus able to shape the discourses in a self-reflexive way.

Table 6: reflexive isomorphism in social entrepreneurship (Nicholls, 2010, 624)

Paradigm-building actor	Internal logic	Logic of reflexive isomorphism	Legitimizing discourse
Government	Deliver public goods	Maximize efficiency, responsiveness, sustainability	Business model ideal type
Foundations	Mobilize resources to bring about change	Maximize return on investment	Hero entrepreneur
Fellowship organizations	Build social capital	Maximize leverage effects	Hero entrepreneur
Pure network organizations	Build community voice	Maximize engagement and empowerment	Social justice

According to Sud et al. (2009), it cannot be expected that large-scale social problems can be solved by social entrepreneurship. There are three arguments for this; 1) the organizational legitimacy argument; 2) the isomorphism argument and 3) moral, political and structural arguments (Sud et al., 2009, p. 201). The consent of society in which certain types of organizations are embedded determines the existence of certain types of organizations. According to Sud et al. (2009, p. 202), social enterprises are relatively new, ‘...and, as such, still seeking the legitimacy already accorded to their predecessors’, like for-profit enterprises. So, social enterprises need to acquire legitimacy as a class of organization in order to successfully scale their activities in order to address social problems (Sud et al., 2009, p. 203). Sud et al. (2009, p. 204) are ‘...concerned that the desire to gain legitimacy

and avoid dependency on donors may result in unintended consequences in a field still in its infancy'. The second argument relates to the process of institutional isomorphism; a process with the result that organizations, active in similar environments, become more homogeneous over time (Sud et al., 2009, p. 204). The authors see this mechanism operating in social entrepreneurship. Social entrepreneurship could be not that susceptible to isomorphic forces than other industries and organisations. Nevertheless, social enterprises '...will also be less likely to bring about the broad and comprehensive reforms needed to bring about widespread solutions...' to large-scale problems (Sud et al., 2009, p. 205). The moral argument stresses that the theory of business is amoral and that this dominant paradigm can be considered as a major contributor to the expectation that social entrepreneurship, by itself, can solve large-scale social problems (Sud et al, 2009, p. 206). The political argument stresses that it is impossible to make value judgements about the benefits of social entrepreneurship, unless it is delineated what social ends are pursued by social enterprises; this process of establishing social ends is inherently political and embedded in values that differ in place and time (Sud et al, 2009, p. 207-208). This argument is one of the reasons why Santos (2012), in establishing its positive theory of social entrepreneurship, wanted to stay out of the normative discussion: what is social and what is not social? Finally, the structural argument means that '...the very structure of a capitalistic economy works against the idea of social entrepreneurship' (Sud et al, 2009, p. 208), making clear that there is a tension between gaining competitive advantage and pursuing corporate social responsibility.

3.1.6 Reflecting on literature in other journals

I found three articles, published in more common journals than the leading journals in the field of social entrepreneurship, which are worth to briefly explain and discuss here.

First of all, Dorothy et al. (2014) reviewed scholarly literature regarding social enterprises in the specific context of hybridity. Dorothy et al. (2014, p. 417-418) mentioned that social enterprises do not fit neatly into the conventional categories of public, private and non-profit organisations since they pursue the dual mission of achieving both financial sustainability and social purpose. As a consequence, they bridge institutional fields and face institutional logics that are conflicting. Hybrid organisational forms are defined as '(...) structures and practices that allow the coexistence of values and artefacts from two or more categories' (Dorothy et al., 2014, p. 418). Social enterprises are characterized as hybrid organisations since they pursue financial and social aims (Dorothy et al. 2014, p. 419). Dorothy et al. (2014) structured their literature review by using the framework created by Austin et al. (2006), see section 3.2.1. The authors argue that regarding the definition debate, two defining characteristics of social entrepreneurship can be identified; the adoption of some form of commercial activity to generate revenue and the pursuit of social goals (Dorothy, 2014, p. 420). Dorothy et al. (2014, p. 421) note that four trends account for the growing interest in social enterprises. First of all, 'changes in the nature of philanthropic giving have pushed formerly donor-dependent organisations to seek more commercial sources of revenue'. Secondly, new market entrants, such as social enterprises, grasp opportunities which are created by new models of public service delivery. Thirdly, there is an increasing interest for alternative economic systems. Fourthly, social enterprise is considered to be a solution to market failure since governmental action is not sufficient to cope with deficiencies in economic justice and rising inequality.

Regarding the mission of social enterprises as hybrid organisations, it is clear that both business and social goals are pursued at the same time. This entails some tensions between commercial opportunity exploitation and the pursuit of a social mission (Dorothy et al., 2014, p. 422). Social enterprises are not profit maximizing, although it is legitimate to generate profits. Dorothy et al. (2014, p. 422) refer to Santos (2012), who stated that social enterprises are focused on value creation for the benefit of society rather than the capture of value which is typical for commercial enterprises. Moreover, the creation of social value might also be linked to the '(...) attainment of economic outcomes, that generate financial resources to be employed to achieve a social mission' (Dorothy et al., 2014, p. 422). According to Dorothy et al. (2014, p. 423), recent critical studies, including Eikenberry & Kluver (2004), argue that hybridity may lead to mission drift; social goals of the social enterprises are sacrificed in order to attain financial sustainability. As a consequence, the legitimacy among stakeholders may decrease. Regarding the financial resources of social enterprises, Dorothy et al. (2014, p. 424) note that social enterprises are '(...) good at managing resource dependence and use their community embeddedness and relational ties with stakeholders to secure external resource that create opportunities for social action'. Moreover, the dual mission of social enterprises is used in order to generate commercial income from ethical consumers. Two factors constrain the access to financial resources (Dorothy et al., 2014, p. 424-425). First of all, the internalization of social costs means that less profit is generated than in the case of full economic costing. Secondly, dual pricing strategies (for instance on the basis of family income) impact the financial performance of social enterprises. As a consequence, commercial enterprises are more attractive to investors. Dorothy et al. (2014, p. 425) conclude that the hybridity of social enterprises can both help and hinder access to financial resources. Regarding human resources, it is often argued that due to a lack of financial resources, social enterprises are not able to attract and retain talented employees (see again Austin et al. 2006). More recent studies argue that social component of the dual mission could be instrumental in order to recruit and mobilise effort from employees, volunteers and supporters (Dorothy et al., 2014, p. 425). The social mission is considered to be a motivating force resulting into non-financial incentives such as job satisfaction and the contribution to community impact. Volunteers are considered to be an important force for social enterprises and their commitment is often critical since they can exit the social enterprise more easily than paid employees.

So, there are some challenges to overcome (Dorothy et al., 2014, p. 427-429). First of all and based on Santos (2012), managers should balance between social logic (value creation) and market logic (value capture) when these logics conflict and/or compete. Secondly, it should be clear that the hybridity has an important influence on the acquisition and mobilisation of financial resources and the management of human resources. Managers should be aware of this and, again, balance between the opportunities hybridity offers. Finally, the social mission is seen as a non-financial incentive for employees or volunteers, many social enterprises also rely on the efforts of volunteers who donate their knowledge and skills free of charge (Dorothy et al., 2014, p. 429).

In line with Dorothy et al. (2014), Battilana & Dorado (2010, p. 1420) stresses the importance of creating a common organisational identity that strikes a balance between the different logics the organisation combines. As a result, the rise of subgroups, which adhere to a particular logic, within such an organisation is prevented. Battilana & Dorado (2010) came to this conclusion after a comparative study of two commercial microfinance organisations in Bolivia (BancoSol and Los

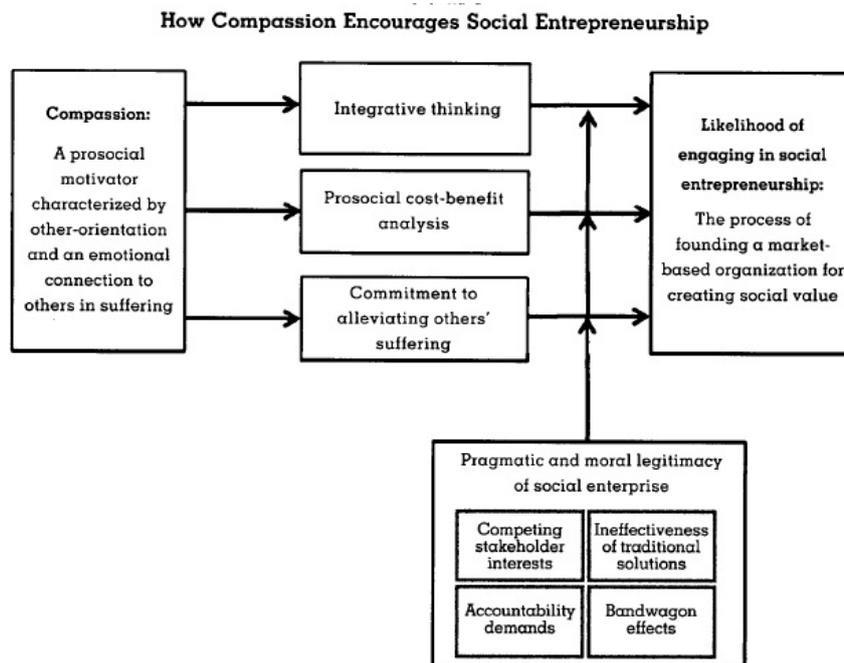
Andes). Both organisations were faced with the challenge of combining banking logics (commercial) with the development logic (social). Hiring and socialisation strategies were crucial in the process of identity formation (Battilana & Dorado, 2010, p. 1435).

Miller et al. (2012) examined the motivation to become involved in social entrepreneurship. Miller et al. (2012, p. 616) also acknowledge the dual mission of social enterprises. But what motivates social entrepreneurs? Traditional, commercial, drivers such as profit-seeking behaviour, self-utility maximization and other self-interested non-pecuniary rewards, such as autonomy and taste for variety, are not sufficient to explain the emergence of social entrepreneurship. So, Miller et al. (2012, p. 617) explored '(...) how compassion may be responsible for encouraging social entrepreneurship—the process of launching a hybrid organisational form that creates social value through market-based methods'. According to Miller et al. (2012, p. 617) compassion can be characterised as '(...) other-orientation and emotional connection linking an individual to a suffering community (...) and serves as a prosocial motivating emotion (i.e. the desire to benefit others)'. As a consequence, this emotional connection '(...) stimulates integrative solutions to seemingly intractable social problems (i.e. integrative thinking), distorts cost-benefit analysis in other-serving ways (i.e. prosocial cost-benefit analysis), and encourages the commitment needed to undertake demanding and difficult responses (i.e. commitment to alleviating the suffering of others)' (Miller et al., 2012, p. 618-620). The authors note that compassion is related to broader social issues instead of individual cases of suffering (Miller et al., 2012, p. 621).

The emotional and other-oriented nature of compassion encourages people to search for solutions that yield collective gains instead of individual gains; this integrative thinking is a critical antecedent for establishing a social enterprise because the founder is able to combine social and economic goals (Miller et al., 2012, p. 622 and 625). Moreover, decisions are often based on a rational cost-benefit analysis. Compassion blurs rationality and results in a prosocial cost-benefit analysis where the outcomes for others are valued higher. This distortion of this analysis due to compassion, means that benefits to others are internalised by individuals, which in turn, means that a broader array of possible benefits is envisioned; on contrary, '(...) a rational cost-benefit analysis is unlike to yield sufficient motivation to create a social enterprise' (Miller et al., 2012, p. 623 and 626). In sum, the prosocial cost-benefit analysis is considered to be necessary in order to become involved in a social enterprise. A prosocial identity as a consequence of the emotional connection to others' suffering results in the willingness to alleviate that suffering. As a result, an individual is more likely to become engaged in social entrepreneurship since the individual is less responsive to information that dispute the beliefs of that individual in the viability of the social enterprise (Miller et al., 2012, p. 624 and 627).

These relationships are moderated by the increased relative pragmatic and moral legitimacy of social entrepreneurship. This increase is as a consequence of: 1) an increased accountability of organisations, such as social enterprises, regarding solutions to social problems; 2) the alignment social entrepreneurship offers to divergent interests in the social sector (competing stakeholders); 3) the ineffectiveness of traditional solutions and 4) the bandwagon effect due to the hero/success stories of social entrepreneurs (Miller et al., 2012, p. 627-629). The more legitimate social entrepreneurship becomes, the more likely it is that people consider it as a solution to social issues (Miller et al., 2012, p. 629).

Figure 4: relation between compassion and social entrepreneurship



3.1.7 Conclusion

First of all, it is worth mentioning that the articles described in the section above (3.1.6) do not provide totally different theoretical insights compared to the literature review as described in the sections 3.1.1 – 3.1.5. Dorothy et al. (2014) reviewed scholarly literature regarding social enterprises in the specific context of hybridity. In line with this, Battilana & Dorado (2010, p. 1420) stresses the importance of creating a common organisational identity that strikes a balance between the different logics the organisation combines (i.e.. commercial and social logics). Miller et al. (2012) provided a new theoretical insight which I did not see before in literature. These authors examined the motivation to become involved in social entrepreneurship; they stressed the importance of compassion in encouraging social entrepreneurship.

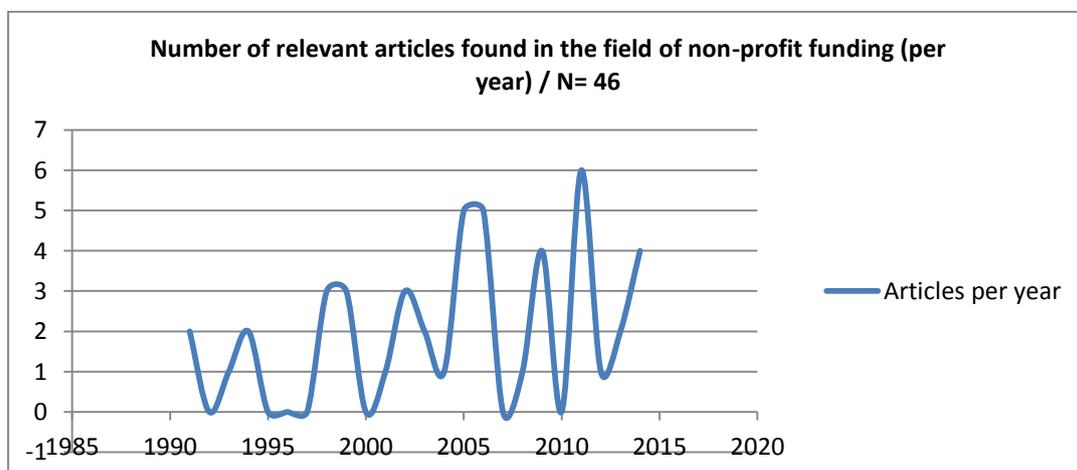
Based on the above literature review, some core concepts can be identified. First of all and maybe most importantly, the concept of social entrepreneurship itself. Several authors, like Short et al. (2009), Mair & Marti (2006), Santos (2012), Peredo & McLean (2006), Neck et al. (2009), Dacin et al. (2011), Zahra et al. (2009), Austin et al. (2006) and Dorothy et al. (2014) shed their light on the question: what is actually meant by social entrepreneurship? No single answer to this question can be formulated. However, there are some similarities. In section 3.4, I determined which elements I included in order to examine to what extent projects, set up by service clubs, can be characterised as social entrepreneurial. The study of Moss et al. (2011) revealed that social enterprises can be characterised by dual identities. The article of Dorothy et al. (2014) is in line with this. The dual identity of a social enterprise is coherent to the definition debate. The study of Meyskens et al. (2010, p. 673) made clear that the Resource Based View is appropriate in order to evaluate resources in the operational processes of social entrepreneurship. Although interesting, this theoretical insight is not suited for this study. The concept of isomorphism is mentioned by several authors. Although

interesting, this concept does not contribute to the aim of this study and is therefore not used in the theoretical framework. The concept of bricolage in the context of social entrepreneurship is described by Di Domenico et al. and Zahra et al. (2009). Bricolage can be characterized as ‘making do with what is at hand’ and is strongly related to improvisation. It could help explain why some social entrepreneurial projects, set up by service clubs, can be characterised as successful. However, this is beyond the scope of this study. The same applies to the involvement of stakeholders in social entrepreneurial projects as described by Santos (2012), Di Domenico et al. (2010) and Neck et al. (2009). The concept of opportunity recognition is the starting point of the entrepreneurial process. The studies of Corner & Ho (2010) and Murphy & Coombes (2009) paid attention to this stage in the entrepreneurial process. In line with this, the entrepreneurial mind-set is mentioned by Neck et al. (2009) and could explain the likeliness to be involved in social entrepreneurship; it helps the entrepreneur to leverage a host of opportunities to start and grow social purpose ventures or enterprising non-profits. As a consequence, the entrepreneurial mind-set is included in the theoretical framework. An interesting concept found in the additional literature search is the concept of compassion. Miller et al. (2012) explain how compassion leads to the involvement in social entrepreneurship. In the theoretical framework, this concept is integrated. Nga & Shamuganathan (2010, p. 259) determined which personality traits influence the start-up intentions of social entrepreneurs. Although interesting, I believe it is more useful to look at the concept of compassion given the community service context of service clubs.

3.2 Non-profit funding discourse

Regarding the concept of non-profit funding, literature search yielded 46 relevant articles in this domain. The ‘leading journals’ in this domain, based on Brudney & Herman (2004) and Cornforth (2012) and presented in appendix II, did not all meet the expectations. Keyword search (in the period 2009 - autumn of 2014) yielded 31 relevant articles. This number can be subdivided as follows: Nonprofit and Voluntary Sector Quarterly (8), Nonprofit Management and Leadership (5), Voluntas (8), Journal of Nonprofit & Public Sector Marketing (2) and International Journal of Nonprofit and Voluntary Sector Marketing (8). This means that Nonprofit & Public Sector Marketing lagged behind relative to the other leading journals. In figure 5, one can see the time span of the 46 relevant articles found.

Figure 5: distribution of the number of relevant articles found in the field of non-profit funding (per year)



This figure is totally different compared to the distribution of the number of relevant articles found in the field of social entrepreneurship. The number of articles per year fluctuates and does not show a strong upward trend. Based on both figures, one can conclude that non-profit funding is a field of inquiry that gained the attention of scholars much earlier than social entrepreneurship. Consequently, it is plausible that the field of non-profit funding is more mature than the field of social entrepreneurship.

This discourse is composed of 10 relevant articles (5 keyword search, 3 backward search and 2 forward search).

3.2.1 Revenue diversification and revenue volatility

Froelich (1999) examined the effects of three major revenue strategies in non-profit organisations. The author distinguished the following strategies: private contributions, government funding and commercial activity. The attraction of charitable donations from enterprises and/or individuals for socially valued programs is seen as a classical example of traditional fundraising (Froelich, 1999, p. 247). As a percentage of total revenue, this source of funding is declining, although total private contributions increases annually due to reduced income tax incentives for this kind of donations (Froelich, 1999, p. 248). According to Froelich (1999, p. 250), private contributions are highly unpredictable and instable. That is why revenue volatility is high. Moreover, a potential side effect of private contributions is goal displacement; in order to satisfy contributors' wishes, goals and activities are modified accordingly. Problems of revenue volatility and goal displacement also occur in the case of corporate/enterprise donations (Froelich, 1999, p. 253). Moreover, those contributions lead to process and structure change in non-profit organisations. Corporate donations became less ad hoc and more formalised by means of contribution committees. In response, non-profit organisations also formalised their operations in order to meet the criteria for gift allocation. In the end, this resulted in a professionalised form of administration in both types of organisations (Froelich, 1999, p. 253). The pursuance of government grants is another revenue strategy; this funding source varies over time due to changes in political leadership and public policy initiatives (Froelich, 1999, p. 248). Many non-profit organisations though rely on government funds for their existence; alternative sources of income are lacking (Froelich, 1999, p. 255). Government funding is a stable source of income. As a consequence, revenue volatility is low. Goal displacement as a consequence of government funding is less likely than it is in the case of private contributions. However, there is also evidence that non-profit organisations are founded in response to the availability of government funding (Froelich, 1999, p. 255-256). Subsequently, goal displacement effects are moderately strong. The process and structure effects of government funding are striking; internal processes and structures of non-profit organisations change significantly. According to Froelich (1999, p. 256), there is 'overwhelming evidence [that] points to government-driven professionalization, bureaucratisation, and loss of administrative autonomy'. This means that non-profit organisations increasingly mirror the structure and behaviour of government; as a consequence, it risks losing its unique character (Froelich, 1999, p. 257). Selling products to customers or charging fees for program services are examples of commercial activities; many scholars consider commercial activity to be controversial (Froelich, 1999, p. 247). Selling products or charging fees might can, but not necessarily, be related to the mission of a non-profit organisation. This funding source is gaining popularity. As Froelich (1999, p. 249) argues: 'in essence, clients and customers have become the primary resource providers in the non-profit sector, rather than donors

or government entities'. The absence of support from either the government or the marketplace drives non-profit organisations to take action (Froelich, 1999, p. 258). This means that non-profit organisations do have a lot in common with social entrepreneurship. This is enhanced by Froelich (1999, p. 258) who summarizes the criticism of many scholars as follows: 'the fear is that non-profits will become so like business firms that the social missions will take a backseat to revenue and profitability goals'. Revenue volatility is considered to be moderate, albeit reinforced by the potential for failed commercial enterprises. According to Froelich (1999, p. 259), there is no empirical evidence that there are goal displacement effects regarding this revenue strategy. On contrary, this kind of funding supports new or existing programs and more clients. Thus, goal displacement effects are considered to be weak. Effects of commercial activity on processes are minor. There is some evidence though that the use of rational accountability practices and a cost-benefit mentality, are changes in organisational processes caused by commercial activity (Froelich, 1999, p. 259). Regarding structural effects, non-profit organisations are increasingly found to use forms that are commonly associated with commercial firms (Froelich, 1999, p. 259). In the following table, the revenue strategy profiles are summarized.

Table 7: revenue strategy profiles based on four dimensions (Froelich, 1999, p. 265)

Revenue Strategy Profiles			
	<i>Private Contributions</i>	<i>Government Funding</i>	<i>Commercial Activity</i>
Revenue volatility	High	Low	Moderate
Goal displacement effects	Strong	Moderately strong	Weak
Process effects	Formalization	Formalization, standardization	Rationalization
Structure effects	Professionalized administration	Professionalized bureaucracy	Professionalized business forms

Froelich (1999, p. 263-265) concludes that each revenue strategy has its own advantages and disadvantages. New concerns and greater complexity are logical consequences of revenue diversification. The addition of commercial activity to other forms of income, like private contributions or government funding, ensures greater income stability and more control over income deployment; goal displacement effects are weak in the case of commercial activity. The potential impact of commercial activities on organisational and sector legitimacy is considered to be a primary concern.

Carroll & Stater (2009) examined whether revenue diversification leads to greater financial stability in non-profit organisations. In fact, it tests empirically revenue volatility as described by Froelich (1999); up to then, empirical research regarding this topic was limited (Carroll & Stater, 2009, p. 948). The authors examined the impact of revenue diversification on revenue volatility within non-profit organisations by means of fixed effects regression model. Moreover, they used financial data obtained from the National Center for Charitable Statistics. According to Carroll & Stater (2009, p. 948), the concept of revenue diversification is derived from Modern Portfolio Theory; the core assumption in this theory is that there is an optimal investment portfolio that maximizes returns on

investment and minimizes variance. In practice, an investor has often to take risk in order to maximize returns and/or to give up returns in order to minimize variance. According to Carroll & Stater (2009, p. 949) it is plausible that the adequacy of revenue sources as well as the instability of those revenue sources are taken into account when a non-profit organisations design a revenue portfolio. Moreover, it is plausible to expect that revenue volatility decreases as a consequence of revenue diversification; the financial condition of a non-profit organisation should become more stable over time (Carroll & Stater, 2009, p. 949). Moreover, Carroll & Stater (2009, p. 951) also examined the factors affecting revenue volatility in order to make recommendations about the potential of revenue diversification as a financial management strategy. Carroll & Stater (2009, p. 953-955) formulated the following hypotheses: '1) greater revenue diversification will decrease revenue volatility; 2) greater financial flexibility will decrease revenue volatility; 3) greater organizational efficiency will decrease revenue volatility; 4) greater growth potential will decrease revenue volatility; and 5) donative organizations will have greater revenue volatility'. The findings of Carroll & Stater (2009, p. 962) suggest that non-profit organisations with more diversified revenue portfolios (in terms of earned incomes, contributions, donations) have lower levels of revenue volatility over time; this means that diversification can be considered as a viable strategy for organisational stability. Carroll & Stater (2009, p. 962) note that this positive relationship between revenue diversification and revenue volatility does not capture possible trade-offs between funding sources, such as earned income crowding out donations. Carroll & Stater (2009, p. 963) found that non-profit organisations with greater growth potential in terms of retained earnings and fund balances noticed less revenue volatility over time. Donative organisations, on contrary, experience greater volatility over time; this means that revenue diversification can be helpful in order to make this kind of organisations more financially stable (Carroll & Stater, 2009, p. 963). Moreover, organisations efficiency and financial flexibility do not decrease the revenue volatility of non-profit organisations over time (Carroll & Stater, 2009, p. 963). Finally, Carroll & Stater (2009, p. 693) found that exogenous factors such as state context and urban location affect revenue volatility over time; this means that the external environment should be taken into account when assessing the financial health of non-profit organisations. An important implication of this study is that the dreaded loss of legitimacy, as a consequence of earned income, is not reflected into less stability for non-profit organisations over time (Carroll & Stater, 2009, p. 964).

3.2.2 Revenue diversification and nature of services provided

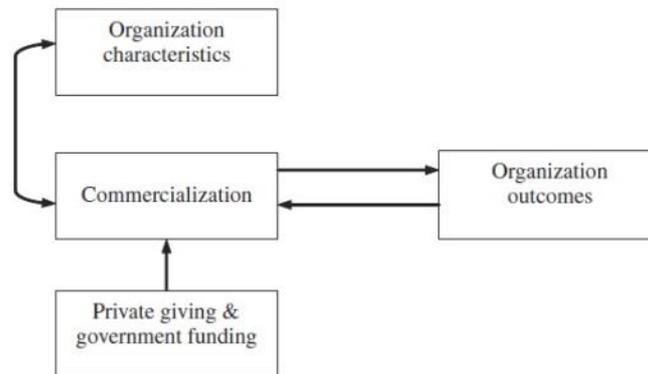
According to Fischer (2011, p. 662), private donations get too much attention from non-profit funding scholars, since this type of funding only accounts for less than 20% of non-profit income. Fischer et al. (2011, p. 663) examined two related issues. First of all, the between non-profit revenue streams and the nature of serviced provided by non-profit organisations (i.e. public or private). Secondly, the factors that determine the extent of diversification of non-profit revenue. The distinction between public and private services is by Fischer et al. (2011, p. 663) described as follows: benefits of private services are attributed to clearly identifiable individuals; benefits of public services are attributed to society or specific groups within a population. Direct participation in or payment for non-profit programs is not necessary in order to benefit from public services. Many non-profit activities fall in between these two categories. A third category, mixed services, are those services that lead to benefits for specific participants, but '(...) simultaneously generating substantial benefits for society at large' (Fischer et al., 2011, p. 663). According to Fischer et al. (2011, p. 664), non-profit

organisations rely on a mix of revenue streams, such as earned revenues, contributions from individuals and government grants. The relative dependence on a particular revenue streams and the diversification of a non-profit's income portfolio depend on several factors, such as the service field category, the size of a non-profit organisation, financial health and mission (Fischer et al, 2011, p. 664-665). Government and/or market failure is the reason why non-profit organisations are founded; Fischer et al. (1999, p. 665) believe that the revenue streams of a non-profit organisation is influenced by the kind of failure. An example: when non-profit organisations offer public goods (for which a price cannot be charged), they have to rely tremendously on government funding or gifts. Fischer et al. (2011, p. 666) examined several hypotheses: 1) non-profit organisations offering public services rely more on donations and less on earned program revenues; 2) non-profit organisations offering private services rely more on earned program revenues and less on donations; 3a) non-profit organisations offering mixed services rely less on contributions than non-profit organisations offering public services and rely more on contributions than non-profit organisations offering private services; 3b) non-profit organisations offering mixed services rely more on earned program revenues than non-profit organisations offering public services and rely less on earned program revenues than non-profit organisations offering private services; 3c) non-profit organisations offering mixed services will have more diverse revenue sources than non-profit organisations offering either more public or private services. Fischer et al. (2011, p. 666-667) analysed data from the National Center for Charitable Statistics. 90% of the non-profit organisations in the sample received revenues out of the following revenue streams: investment income, earned program revenues, net rental income, contributions, net income from special events, dues and other income. Fischer et al. (2011, p. 667) noticed that '(...) while there is some diversification, most non-profits rely heavily on one source'. The results of the analysis confirm hypotheses 1 and 2; there is a relationship between the nature of services provided and a non-profit organisation's revenue streams (Fischer et al., 2011, p. 674). Non-profit organisation offering public services rely more on contributions than non-profit organisations offering private services; non-profit organisations offering private services rely more on earned sources of revenue (Fischer et al., 2011, p. 674). The expected order of private, mixed and public as formulated in hypotheses 3a and 3b is not found, although the differences are relatively small (Fischer et al., 2011, p. 674). Hypothesis 3c is also not confirmed; there is no clear pattern that non-profit organisations offering mixed services have more diverse revenue sources (Fischer et al., 2011, p. 675). So, the main contribution of Fischer et al. (2011) is the finding that the financing of non-profit organisations is strongly related to the nature of the services offered. As a consequence, the revenue strategy of a non-profit organisation should be based on the nature of provided benefits (Fischer et al., 2011, p. 676).

3.2.3 Revenue diversification as a consequence of declining traditional funding streams?

According to Guo (2006, p. 124), commercialisation is defined as the process '(...) in which human service non-profits are geared toward sales revenues rather than donations or government grants'. In addition to Froelich (1999), Guo (2006, p. 125) argues that his study tries to understand the factors associated with the commercialisation of non-profit organisations. The way in which organisational performance is affected by commercialisation and the association between the degree of commercialisation and organisational characteristics are particular fields of interest in this study (Guo, 2006, p. 126). Subsequently, Guo (2006, p. 126-127) developed a conceptual general path model as presented in the following figure.

Figure 6: general path model (Guo, 2006, p. 126)



As one can see in figure 6, organisational characteristics are correlated with the degree of non-profit commercialisation. Organisational characteristics in this path model are considered to be exogenous variables; correlation with commercialisation is controlled in order to test the relationships between endogenous variables (Guo, 2006, p. 127). Moreover, Guo (2006, p. 127) assumes that a decrease in donative revenues (i.e. private giving and government funding) leads to a growth in commercialisation. Finally, there is a reciprocal relationship between organisational outcomes and commercialisation. Examples of organisational outcomes are: the ability to retain and attract volunteers, employees and donors; the impact on the mission of an organisation; service delivery and the self-sufficiency of an organisation (Guo, 2006, p. 127). This reciprocal relationship is assumed in order to examine whether commercialisation results in beneficial or harmful organisational outcomes and (b) whether organisational outcomes have impact on the degree of non-profit commercialisation (Guo, 2006, p. 128). Commercialisation is measured by Guo (2006, p. 130) as the percentage of income from commercial activities; this excludes the variation in revenue sizes across non-profit organisations. In order to avoid technical problems, Guo (2006, p. 131) subdivided the variable commercialisation into two levels: high versus low commercialisation (> 30% of income versus < 30% of income). The results of Guo's (2006, p.132-135) study show that there is a significant inverse relationship between donative revenues and commercialization; this means that a higher level of commercial income is the result of fewer donative revenues. Taken into account that other factors were held constant, the author did not find a significant contribution of commercialisation to a non-profit organisation's ability to attract and retain donors and volunteers; its mission; and service delivery. On contrary, a significant positive impact was found on the self-sufficiency of an organisation, its reputation and its ability to retain and/or attract employees. Surprisingly, an organisation's mission attainment and service delivery is not significantly improved by higher levels of commercialisation.

Kerlin & Pollak (2011) examined whether it is true that commercial revenues in non-profit organisations increased and whether this is due to declines in government grants and private contributions. The authors argue that there is a lack of strong empirical support for this (Kerlin & Pollak, 2011, p. 687). Kerlin & Pollak (2011, p. 688) also call into question the results of Guo (2006) since these results are based on the examination of 67 non-profit social service agencies at a single point of time. Kerlin & Pollak (2011, p. 688) examined non-profit trends '(...) in government grants,

private contributions, and commercial activity over a 20-year period'. In their study, the authors test the following hypotheses: '1) (...) there was an increase in non-profit commercial income as a percentage of total revenue from 1982 to 2002 that was greater than any increase in other revenue streams; and 2) an exceptional rise in non-profit commercial revenue is correlated with decreases in government grants as well as decreases in private contributions occurring separately or together' (Kerlin & Pollak, 2011, p. 687). The authors tested these hypotheses on the non-profit sector as a whole (higher education and hospitals excluded) on the hand, and on two non-profit subsectors: human services and arts & culture on the other hand. Kerlin & Pollak (2011, p. 700) found that commercial revenues increased with 10% (from 48% to 58% between 1982 and 2002) as a percentage of total non-profit revenues; within the subsectors, there was some variation regarding this percentage. Private contributions and government grants rose slightly, so there is evidence for hypothesis 1. Limited evidence was found to support hypothesis 2; no association was found '(...) between the increases in commercial revenue and declines in either government grants or private giving' (Kerlin & Pollak, 2011, p. 700). Consequently, the authors argue that resource dependency theory is not able to explain the fact that commercial revenues rose steady on the long run. From an institutional point of view and based on the results of their study, the authors argue that due to an increase of the number of non-profit organisations, the competition for government grants and private contributions also increased. Subsequently, non-profit organisations are more reliant on commercial forms of revenue instead of the traditional forms (Kerlin & Pollak, 2011, p. 700). So, institutional theory is more suited to explain trends in non-profit funding than resource dependency theory.

3.2.4 Critique on revenue diversification (i.e. marketization) of the non-profit sector

Eikenberry & Kluver (2004) reviewed the major marketization trends in the non-profit sector. According to Eikenberry & Kluver (2004, p. 132), marketization may harm democracy and citizenship; non-profit organisations are consequently less able to create and maintain a strong civil society. The marketization trends identified are: commercial revenue generation, contract competition, the influence of (new) donors and social entrepreneurship. The generation of commercial revenue is a consequence of ongoing budget cuts regarding social welfare programs; revenue losses have to be compensated by commercial revenue generation, such as product sales and fee for services (Eikenberry & Kluver, 2004, p. 134). As a consequence of the New Public Management movement, governments did not use grants anymore. Instead, contracts were used for social service delivery. Increasing competition, performance measurement and 'language and methods of the market' were the result (Eikenberry & Kluver, 2004, p. 134). Regarding (new) donor influence, a paradigm shift occurred; 'old' philanthropy (i.e. private foundations) became 'new' philanthropy led by individual donors characterized by their unconventional modes of volunteering and giving such as venture philanthropy. Venture philanthropy is defined as '(...) the application of venture capital principles and practices to achieve social change' (Eikenberry & Kluver, 2004, p. 134). Finally, social entrepreneurship, and its corresponding market values and methods, is embraced by leaders of non-profit organisations. Desired social change can often be reached by an entrepreneurial solution. Moreover, a non-profit organisation can often only survive when its funding stream is diversified; the inclusion of earned income can offer more stability (Eikenberry & Kluver, 2004). This is also confirmed by Froelich (1999). Eikenberry & Kluver (2004, p. 135) recognize that marketization trends yield benefits for non-profit organisations, such as '(...) reliable resource streams, greater efficiency

and innovation, better targeting of services to client needs, increased legitimacy [contrary to Froelich (1999)], and possibly greater accountability'. However, the role of non-profit organisations as value guardians, social capital builders, advocates and/or service providers is impaired by marketization trends; deterioration of creating and maintaining a strong civil society is a potential outcome (Eikenberry & Kluver, 2004, p. 135-137).

In line with her earlier published article (Eikenberry & Kluver, 2004), Eikenberry (2009) has significant problems with the colonialization by the market; it dominates everyday life. Moreover, the market is, according to her (and contrary to numerous of social entrepreneurship scholars), essentially antisocial and based on self-interest (Eikenberry, 2009, p. 2). Therefore, she believes it is necessary to offer an alternative for the application of the market discourse to the non-profit sector by providing a democratic counter-discourse. This discourse should offer more opportunities for democratic participation in non-profit organisations (Eikenberry, 2009, p. 3). Her article is normative in nature. It explains why marketization of non-profit organisations developed and what is so problematic about it. Subsequently, the author offers an alternative democratic discourse. The main reason for the marketization is a prevailing neoliberal ideology that is looking for private, nongovernmental institutions to replace public social programs (Eikenberry, 2009, p. 4). Eikenberry (2009, p. 4) perceives an increasing desire to privatise government and non-profit organisations to replace government in the provision of public goods. As a consequence and due to corresponding cutbacks, non-profit organisations had to make use of market-kind approaches in order to gain enough funding (Eikenberry & Kluver, 2004, p. 134; Eikenberry, 2009, p. 4). Moreover, non-profit organisations make use of social enterprise strategies; founding firms (i.e. subsidiaries) in order to meet the double bottom line (financial / social) of a non-profit organisation (Eikenberry, 2009, p. 5). The Salvation Army, for instance, made use of social enterprises in order to generate funding. Just as Eikenberry & Kluver (2004), Eikenberry (2009) clearly links social entrepreneurship to the marketization of non-profit organisations. Non-profit organisations with social entrepreneurial activities '(...) weaken their appeal to donors because individuals think their donations are not needed by an organisation that is commercially successful' (Eikenberry, 2009, p. 6). The author also argues that the validity of the non-profit status is questionable in the case of overly commercialized non-profit organisations. Eikenberry (2009, p. 7) also substantiates that social enterprises are less lucrative and more complicated than they might first appear. The focus and reliance on entrepreneurial strategies means that non-profit organisations have less need to encourage civic participation and/or to build networks. And this is, according to Eikenberry (2009, p. 8), the opposite of what is desirable; in order to succeed social transformation, the involvement of non-profit organisations in social movements is crucial. As an alternative to market-based discourse, non-profit organisations should get a diversity of people to participate in organisational and societal governance; moreover, non-profit organisations should provide equal opportunities for members to participate in agenda setting, deliberation, and decision making (Eikenberry, 2009, p. 9). Given the resource dependencies, non-profit organisations should cultivate diverse relationships with individuals; social networks need to be built in order to get hooked up on the trend that fundraisers shift from a transactional to a transformational giving model (Eikenberry, 2009, p. 10). Eikenberry (2009, p. 12) considers this democratic counter-discourse as an additional perspective which can be used in order to study and practice this sector.

Nickel & Eikenberry (2009) note that philanthropy is overshadowed by a market-based discourse of philanthropy, including the consumption of products and the consumption of media and celebrities (also called 'charitainment'); the function of philanthropy to represent social needs and to pursue social change deteriorates as a consequence of this. Nickel & Eikenberry (2009, p. 975) define consumption philanthropy as something that '(...) occurs when there is a perceived charitable aspect associated with purchasing a service or product; celebrity philanthropy involves media hype around celebrities giving and volunteering, raising money, or in other ways supposedly helping those less fortunate'. The authors argue that these forms of market-based philanthropy depoliticize the discourse '(...) by collapsing the distance between the market and the negative impacts it has on human well-being' (Nickel & Eikenberry, 2009, p. 975). The authors argue that market-based philanthropy '(...) creates the appearance of giving back, disguising the fact that it is already based in taking away' (Nickel & Eikenberry, 2009, p. 975). The authors argue that there is a discourse of need in the case of consumption philanthropy and celebrity philanthropy, but the cause of such needs is not eliminated by a discourse of transformation that normally accompanies philanthropy. According to Nickel & Eikenberry (2009, p. 984), philanthropy blurred with consumption and celebrity gives people the illusion that social problems are being addressed adequately. The authors understand, though, that that blurred philanthropy might be better than doing nothing. However, they try to make clear social change and market-based philanthropy are disconnected. So, they advocate for philanthropy that is really transformative. Transformative philanthropy is considered to be '(...) a mechanism for overturning the root causes of problems such as poverty, inequality, and environmental destructions, which we see as founded in capitalism' (Nickel & Eikenberry, 2009, p. 984).

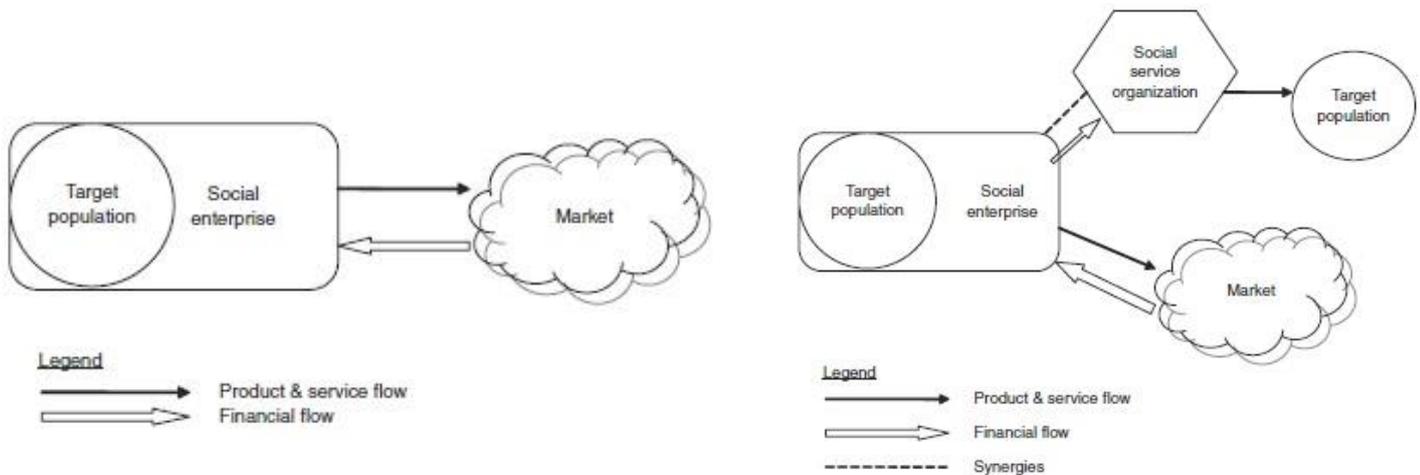
Foster & Bradach (2005) are also sceptical about earned income as a funding stream of non-profit organisations. The authors believe that managers of non-profit organisations did not want to be seen as passive bureaucrats; acting as active entrepreneurs counteracts this image. Moreover, willingness to become self-sufficient was fuelled by stakeholders of non-profit organisations. Foster & Bradach (2005, p. 94) state that earned income ventures do have a role in the non-profit sector, but '(...) we believe that unrealistic expectations are distorting managers' decisions, ultimately wasting precious resources and leaving important social needs unmet'. Foster & Bradach (2005, p. 96) found that non-profit revenues jumped from 109 billion dollars to 632 billion dollars in twenty years (1977-1997), but the percentage generated by earned income stayed the same. The authors believe that there is a gap between the rhetoric and the reality of earned income in the non-profit sector. The main reason why this gap exist is because of a '(...) lack of realism in evaluating the challenges of running a business' (Foster & Bradach, 2005, p. 96). Subsequently, the disadvantages of non-profit organisations that run ventures are explained by the authors. According to Foster & Bradach (2005, p. 97), non-profits have to focus on financial and non-financial concerns. These non-financial concerns, often social goals, are not to the advantage of non-profits in a highly competitive environment. Cooney (2011) refers in this case to the balancing act, while Foster & Bradach (2005) consider the pursuance of social goals as something negative. Moreover, Foster & Bradach (2005, p. 97) believe that non-profit organisations can easily misjudge the profitability of a venture; they tend to overlook the difference between profit and revenue. The authors call it a lack of business perspective. Foster & Bradach (2005, p. 98) also argue that earned income ventures are not suited to provide products and services for the intended user; many of those users cannot afford those. So, earned income ventures have to rely on indirect customers in order to gain revenues. Another disadvantage of non-profits is, according to Foster &

Bradach (2005, p. 98), the lack of decisiveness of non-profit managers in the case that their ventures are in financial distress. Usually, they do not stop the commercial activities. Instead, they try to turn the ventures around with money hard needed in the non-profit organisation itself. This problem worsens in the case that philanthropic capital provides the funding in order to cover a venture's initial losses; the risk of losing money is not present. Then, when this funding stops, the venture can become a millstone around the neck of a non-profit organisation. According to Foster & Bradach (2005, p. 98), managers should ask themselves, before becoming involved in commercial activities, whether a venture contributes to the core mission of the non-profit organisation. This mission-first approach regarding the assessment of earned income ventures returns the non-profit sector to its fundamental principles (Foster & Bradach, 2005, p. 100).

3.2.5 An example of an enterprising non-profit

As mentioned in the previous section (3.1) of this chapter, Neck et al. (2009) argued that social entrepreneurship is the domain of enterprising non-profits and social purpose ventures. The following article provides an example. In the United States, a growing number of non-profit organisations launched so-called social purpose businesses that '(...) serve both as sources of additional revenues and locations for employment and job training for disadvantaged populations' (Cooney, 2011, p. 185). A social purpose business is embedded form of social enterprise in which clients work; this work should eventually lead to the rehabilitation of those clients and the generation of revenues. The provision of job training is key aspect of social purpose businesses. According to Cooney (2011, p. 186), '(...) new social purpose businesses are launched by existing non-profit organisations that have embraced business venturing both as a resource-generating strategy in the face of government retrenchment and as a strategy for fulfilling their job training and economic development missions. With this study, Cooney (2011, p. 186) tries to explore organisational models that make it possible to integrate business and service technologies. Moreover, it tries to identify strategies that balance social and commercial goals. Cooney (2011, p. 190) found that social purpose businesses had no distinct pattern of funding; many of those businesses primarily depend on government funding and donations. Despite the fact that only a few social purpose businesses generated revenues from their commercial ventures, several organisations intend to increase their commercial revenues because they believe that social sector funding is not reliable and not flexible to use. Regarding the organisational models for incorporating commercial enterprises into the core functions of work development, Cooney (2011, p. 190-191) found a lot of variation. Two ideal model-types were identified. First of all, an organisational model in which working in the business is central to the core program for training and job creation (i.e. a so-called employer model of social enterprise). Secondly, an organisational model in which a non-profit parent organisation exists separately from the social enterprise (i.e. an employer model of social enterprise combined with an organisational support model). In the following figure, these models are depicted.

Figure 7: employer model of social enterprise (right); employer model + organisational support model (left)
(Cooney, 2011, p. 190-191)



According to Cooney (2011, p. 192), social purpose businesses are faced with a balancing act between the pursuit of commercial goals (i.e. profitable business) and social goals (i.e. client-oriented services); organisations take different approaches to manage this balancing act by including slow growth, diversification and cross-subsidisation (Cooney, 2011, p. 192-193). In the case of slow growth, social purpose businesses have to balance between accepting new clients in order to meet labour demand when business booms and providing enough work to do once clients are enrolled in the program. Diversification is another strategy used to balance between social and commercial goals; this can be done in terms of services and products offered by one enterprise and by means of founding multiple enterprises. The ongoing subsidisation of the enterprise with social sector funding is also a strategy in order to prevent losing sight of the pursuance of social goals.

3.2.6 Conclusion

Regarding the non-profit funding literature review, several theoretical insights can be identified. Froelich (1999) examined the effects of three major revenue strategies in non-profit organisations (i.e. private contributions, government funding and commercial activity). Commercial activity, in terms of selling products or charging fees, is gaining popularity. As Froelich (1999, p. 249) argued: 'in essence, clients and customers have become the primary resource providers in the non-profit sector, rather than donors or government entities'. Revenue volatility is a concept that is related to revenue diversification. According to Froelich (1999), the addition of commercial activity to other forms of income ensures greater income stability and more control over income deployment. This is empirically examined by Carroll & Stater (2009); non-profit organisations with more diversified revenue portfolios (in terms of earned incomes, contributions, donations) have lower levels of revenue volatility over time. This study tried to find out why service clubs make use of commercial activity, that is why I have included the concept of revenue volatility in the theoretical framework. Kerlin & Pollak (2011) and Guo (2006) examined the concept of competition in the context of non-profit funding. An increase in commercial revenues in non-profit organisations is not due to a decrease in government funding or private contributions. Instead, an increased competition for government grants and private contributions is the reason why commercial revenues in non-profit organisations have risen. This study tried to find out why service clubs make use of commercial

activity, that is why I have included the concept of competition in the theoretical framework. Several authors (Eikenberry & Kluver, 2004; Eikenberry, 2009; Nickel & Eikenberry, 2009; Foster & Bradach, 2005) are sceptical about commercial revenues as a funding stream of non-profit organisations. However, those articles are predominately normative in nature. They do not give rise to be included in the theoretical framework.

3.3 Service clubs discourse

Since the concept of service clubs is related to the non-profit sector, I made use of the same leading journals (see appendix II) in order to conduct a literature review. Regarding the concept of service clubs, literature search in those journals yielded 9 relevant articles, 1 working paper and 1 dissertation. Keyword search in the leading journals, as mentioned in appendix II, did not yield many articles. In fact, only three articles that were published in the *Nonprofit and Voluntary Sector Quarterly*. In the other journals there were no relevant articles found in which service clubs was the central research topic. The conclusion can be drawn that literature regarding the concept of service clubs is scarce. Random literature search was also not the answer to this; only Farkas (2012) was found and relevant in the sense that service clubs was the central research topic. So, Farkas (2012) is included in this literature review, although this article was not found by means of a systematic literature review. Finally, it makes no sense to make a time span (expressed as a figure) of the literature found as it is done in the previous sections.

This discourse is composed of 9 relevant articles, 1 working paper and 1 dissertation (3 keyword search, 4 backward search, 3 forward search) and Farkas (2012); I was not able to download Putney (1993) with my university account.

3.3.1 Service clubs – philanthropy and social capital

As mentioned in the introduction, the study of Kou et al. (2014) focused on philanthropy. To be more precise, it examined the way in which women influence charitable giving in an international voluntary service organisation. This article, which is one of eight articles in a special issue on membership associations, is introduced by Tschirhart & Gazley (2014). They mention that Kou et al. (2014) demonstrate '(...) the value of looking at group and larger system effects, not just individual characteristics in models of giving' (Tschirhart & Gazley, 2014, p. 55). According to Kou et al. (2014, p. 195) and supported by Eikenberry (2006, p. 525), most service clubs were found in the early 1900s in order to provide a platform for professional network and mutual support; in the 1920s 'serving the community' became the core mission. The expansion of service clubs beyond the border of the United States of America took place after the Second World War. Kou et al. (2014, p. 195) note that the 'big three' (i.e. Lions, Rotary and Kiwanis) expanded their operations from 70 different countries in 1937 to 206 different countries in 2011. Based on Hoolwerf & Schuyt (2010), the authors note that more international projects were adopted in the 1980s. From that period, service clubs have '(...) actively engaged in a variety of charitable activities in communities worldwide and have partnered' (Kou et al., 2014, p. 195). According to the authors, the role of service clubs regarding philanthropy is barely examined empirically. So, they examined the I. possibility of '(...) gender differences in the likelihood and amount of giving by service club members'; II. whether charitable giving of (individual) service club members is affected by the representation of female members in those individual clubs; and III. whether charitable giving of members is influenced by the growth of female membership at

the national level (Kou et al., 2014, p. 19S). According to Kou et al. (2014, p. 20S), Lions Clubs International was founded in the United States of America in 1917. Today, it is the largest service club organisation with 1.35 million members in more than 46.000 clubs which are located in more than 206 countries. Derived from their website, the mission of Lions Clubs International is “to empower volunteers to serve their communities, meet humanitarian needs, encourage peace and promote international understanding through Lions clubs” (Kou et al., 2014, p. 20S). This mission is followed by the motto: ‘We Serve’. According to Kou et al. (2014, p. 20S), members contribute time and money for many different service projects around the world. Until 1987, women were excluded from service clubs; in 1987 the Supreme Court of the United States of America decided that Rotary clubs may not use gender as a basis to exclude membership. Subsequently, Lions Clubs International changed its constitution by removing ‘male’ as a qualifying criterion (Kou et al., 2014, p. 20S). In 2008, the number of women in Lions Clubs International reached over 260.000 which represent almost 23% of the total number of members. The study of Kou et al. (2014, p. 20S) focused on charitable giving to the Lions Clubs International Foundation by Lions members rather than charitable giving to other causes. An online survey sent to Lions clubs members in 14 countries all over the world provided the data for this study. Kou et al. (2014, p. 32S) conclude that charitable giving of Lions members is significantly impacted by female membership. Moreover, their findings ‘(...) indicate that belonging to a club where at least half of the members are female and where we see an increase in the percent growth in female membership in the respondent’s country are associated with both a greater likelihood of donating as well as giving more to this international service club’ (Kou et al., 2014, p. 32S). So, service clubs have to take this into account when they recruit new members and/or retain members (Kou et al., 2014, p. 33S).

Hoolwerf & Schuyt (2010) wrote a working paper that was not published in a journal. Hoolwerf & Schuyt (2010) note that service clubs are different than other non-profit organisations in four ways. First of all, service clubs are characterized by restricted membership, to be more precise: membership on invitation; Gordon & Babchuk (1959) also wrote about this. Secondly, service club members have diverse backgrounds and professions. Thirdly, friendship is, besides community service, a goal of service clubs membership. Finally, service club members commit themselves to business standards that are ethically high. Hoolwerf & Schuyt (2010) note that Lions International do have approximately 1.3 million members worldwide; Rotary approximately 1.2 million members and Kiwanis approximately 0.6 million members. The authors confirm my conclusion that scholarly attention regarding service clubs is scarce. Hoolwerf & Schuyt describe philanthropy as a ‘(...) private action for the public good’; service clubs are known as important actors in terms of charitable giving to society. In 2008, Dutch service clubs donated more than 24 million euro to charitable organisations. Rotary donated more than 10 million euro; Lions donated almost 5 million euro to charitable goals and Kiwanis 1.9 million euro (Hoolwerf & Schuyt, 2010). 9.7 million euro of the 24 million euro was given to international aid; 6.3 million euro to health and also 6.3 million euro to public/social benefit. So, these categories are the dominant sectors that benefit from charitably giving by service clubs. Arts and culture, education and research and sports and recreation together account for 1.5 million euro in donations. Hoolwerf & Schuyt (2010) found evidence that support their hypothesis that ‘service club members would donate to goals that are comparable with the goals of to which households donate in the Netherlands’. However, service clubs serve society in two ways; raising funds is one of them, the engagement in community service projects is the other (Hoolwerf & Schuyt, 2010). The authors found that service club members spent on average 37

minutes per month on community service projects. Based on this, Hoolwerf & Schuyt (2010) believe that service clubs pretend (with slogans such as “We Serve” and “Service above self”) to be more than they really are. In line with this, Hoolwerf & Schuyt (2010) argue that service by fundraising is not sufficient anymore.

As mentioned in the introduction of this thesis, Farkas (2012) examined the social capital side of service club membership. He explored how service clubs membership (in particular Rotary membership) affects the personal network of such a member, noting that service club membership is a ‘(...) prevalent form of voluntary activity among community elites’ (Farkas, 2012, p. 63). Conclusions are drawn from interviews with 248 local elites in four Swedish municipalities. According to Farkas (2012, p. 66), Rotary is an organization with many community elites among its members. So, he assumes that ‘one of the roles that the Rotary Clubs actually play is that they provide community elite members access to elite social ties, ties that have potential to facilitate future political opportunity and collective action’ (Farkas, 2012, p. 66). According to Farkas (2012, p. 70), ‘closure’ and ‘brokerage’ are two alternative mechanisms through which social capital is produced; it gives actors a competitive advantage. Farkas (2012, p. 70) defined the closure form of social capital as a situation in which a densely knit, mutually reciprocal and cohesive networks leads to a competitive advantage for the actor that is embedded in this network. The brokerage form of social capital focuses on situations in which actors can ‘(...) profit from their ability to connect otherwise disconnected parts of the social structure’ (Farkas, 2012, p. 71). Farkas (2012, p. 87) found that, due to Rotary club membership, both the closure and brokerage forms of social capital can be created in the personal networks of local elites; Rotary club membership may have an optimising impact on these personal networks.

3.3.2 A typology of voluntary associations

Gordon & Babchuk (1959, p. 22) proposed a theory of voluntary associations by means of a typology. This typology is based on three criteria: 1. accessibility of membership; 2. status defining capacity of the association; and 3. the function of the organisation for the participant defined as instrumental or expressive. The accessibility can be divided into two categories: high accessibility and low accessibility (Gordon & Babchuk, 1959, p. 26). In the case of high accessibility, associations do have an unqualified membership; low accessible associations are those that require some kind of qualification before being admitted; this could be a PhD-degree (not something that everyone has). The status defining capacity of an association refers to ‘the capacity of an organization to bestow prestige or to be associated with prestige which accrues to its members’ (Gordon & Babchuk, 1959, p. 27). Like the accessibility of an association, the status defining capacity can be high or low. Finally, the function of a voluntary association for its members is a dimension that can help to characterize those organisations. An expressive voluntary association is an organisation that organizes confined and self-contained activities for the direct interest of individual participants; independently of the purpose of the organisation, an expressive organisation incorporates ‘(...) expressive characteristics for its maintenance and provide a framework for personal gratification’ (Gordon & Babchuk, 1959, p. 26-27). According to Gordon & Babchuk (1959, p. 28), the ‘(...) major function and orientation of the instrumental organization are related to activities which take place outside the organization’; there is a clear focus on activity and goals outside the organisation. The typology along these three dimensions/criteria resulted in the following table.

Table 8: a typology of voluntary associations (Gordon & Babchuk, 1959, p. 28)

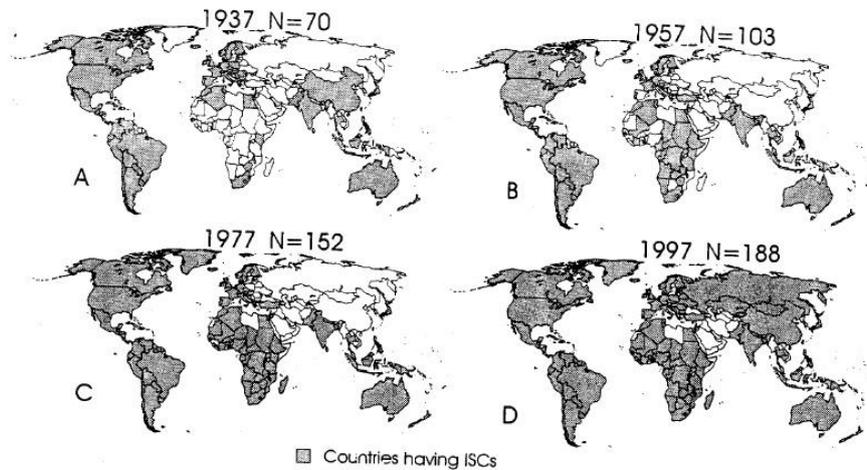
	High Accessibility		Low Accessibility	
	High Status	Low Status	High Status	Low Status
Instrumental	Young Republican Club	Ku Klux Klan	League of Women Voters	Lithuanian American Council
Instrumental-Expressive	Kiwanis	American Legion	American Sociological Society	Alcoholics Anonymous
Expressive	Boy Scouts of America	YMCA	Daughters of the American Revolution	Omega (Nat'l Negro Fraternal Org.)

In this table, one can find service club Kiwanis as a highly accessible, high status and instrumental-expressive voluntary associations. It is noteworthy that this classification is made in 1959.

3.3.3 Service clubs – international expansion and geographical spreading in the United States

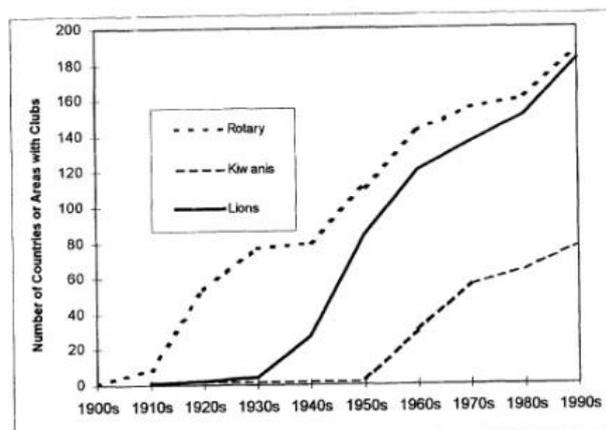
According to Wikle (1999, p. 45), American-style service clubs, such as Rotary, Lions International and Kiwanis spread Western culture, social norms and participatory self-governance. Service clubs do have several precursors, like merchant and commercial clubs and fraternal organisations/lodges (Wikle, 1999, p. 45; Gamm & Putnam, 1999, p. 521). The first American-style service clubs was established in Chicago in 1905 by attorney Paul Harris. His goal was to bring together businessmen for lunch in order to socialize and to strengthen business contacts (Wikle, 1999, p. 45). According to the author, the name Rotary is derived from the idea to rotate the location for meeting among members' offices. By 1915, Rotary clubs were found in every major city in the United States of America. The big expansion of Rotary became apparent after the First World War. Kiwanis was founded in 1915 in Detroit; Lions International was founded in 1917 also in Chicago (Wikle, 1999, p. 46). According to the author, a classification system was used in order to select new members; this worked status-enhancing. Wikle (1999, p. 46) note that in the years after the Second World War, the American-style service clubs expanded rapidly. Large cities, which often had one service club before the War, had between 15 and 30 clubs after the War. In the 1970s, growth began to slow due to the trend that Americans became less civic-minded after the roaring 60s. Kiwanis, Rotary and Lions clubs are all organised at three different levels: the club-level, the district-level, and the international-level (Wikle, 1999, p. 46). Clubs can be characterised by their autonomy; they select their own officers. Districts consist of dozens of clubs in large geographic areas; these are districts serve as administrative units. A district-governor coordinates activities within a district and represents members to the International Board of Directors of Rotary (Wikle, 1999, p. 46). At the international level, there is an International Board of 19 members who represent countries all over the world. An International Board meets quarterly in order to consider policies and priorities of the service club. According to Wikle (1999, p. 46), local service clubs select projects that best address community needs in an independent way. The pursuance of human welfare projects in developing countries by service club members is made possible by contacts at the international level. In figure 8, an overview is presented regarding the international expansion of international service clubs (i.e. Rotary, Lions and Kiwanis).

Figure 8: the international expansion of international service clubs (Wikle, 1999, p. 48)



In the 1930s, the expansion of international service club took more rapidly place in Latin America than in other world regions (Wikle, 1999, p. 47). The expansion of international service clubs was not completely stopped by the Second World War. However, as a consequence of the policies of totalitarian regimes and the war itself, dozens of local service clubs were forced to stop (Wikle, 1999, p. 47). After the War, those clubs were reactivated. The victory of communism in China and other countries in the early 1950s was the reason why service clubs were banished in those countries. The independence of several African countries, also in the 1950s, led to the establishment of international service clubs in those countries. So, taken into account the impossibilities for expansion in new Communist countries, Wikle (1999, p. 47) considered the decade of the 1950s as a decade of significant growth for international service clubs. Moreover, the impact of the political climate in a country is of big influence on the existence of service clubs. Just as Kou et al. (2014) noticed, Wikle (1999, p. 48) referred to the abandonment of the men-only rule in Rotary, Kiwanis and Lions International. Again, in the late 1980s and early 1990s, the expansion of international service clubs was boosted by the dissolution of the Soviet Union (Wikle, 1999, p. 48). In 1997, countries in the Middle East and Pacific Island countries did not have international service clubs. Resistance to Western culture is the reason why international expansion is hindered in the Middle East; isolation is considered to be a key factor in the smaller number of clubs among Pacific Island countries (Wikle, 1999, p. 49-50). In figure 9, one can find the slope of the number of countries or areas having a particular international service club.

Figure 9: countries and areas having international service clubs by year (Wikle, 1999, p. 51)



It is noticeable that the Kiwanis did not expand internationally until the 50s due to the fact that Kiwanis leaders did not want to spread American cultural values all over the world by means of their service club (Wikle, 1999, p. 47).

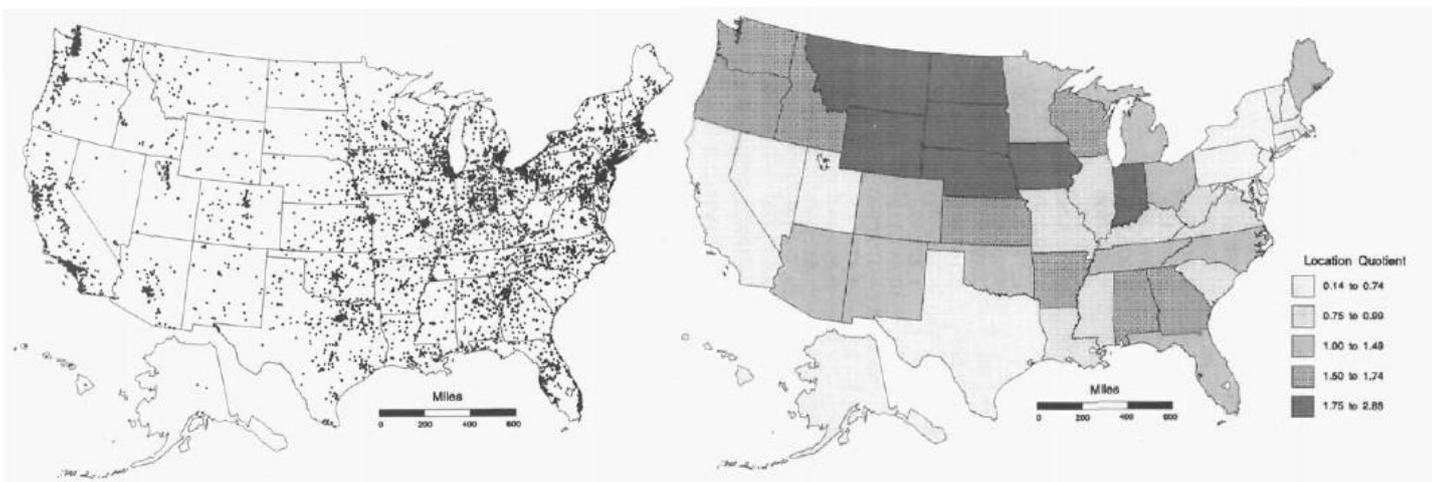
Wikle (1997) examined the geographic patterns of Kiwanis membership in the United States of America. However, he first provided the reader with some information about service clubs. Wikle (1997, p. 6) argues that people have a variety of reasons why they join service clubs. They join service clubs because of altruism and/or community concern. Service clubs are also considered as a vehicle to socialise and some people join service clubs in order to develop business contacts and subsequently to increase profits. According to Wikle (1997, p. 6), a typical service club is comprised of ‘(...) retailers, small manufacturers and independent professionals with a few corporate officials and, in college towns, administrators and teachers’. Service club membership is determined by a classification system that excludes the possibility that one or two types of professions become dominant in one service club; the pursuance of diversified membership is the primary reason for this classification system (Wikle, 1997, p. 7). Moreover, service club members have to attend the meetings; failure to attend a minimum number of meetings can lead to a warning of the club president or even to the expulsion of a member (Wikle, 1997, p. 8). Wikle (1997, p. 6) state that members of service clubs sponsor projects that are aimed at community improvement, such as the sponsoring of youth groups or fundraising for charities. Moreover, service clubs membership offers the opportunity to learn social norms. Wikle (1997, p. 6-7) argues that ‘(...) service clubs have taken over many of the functions for initiating social change and marshalling community support for changes that were formally associated with local government’. In table 9, one can see the evolution of membership numbers. It is noticeable that the Depression of 1933, had a significant influence on Kiwanis membership. So, in addition to the political climate, as mentioned by Wikle (1999), the economic climate is also of big influence on service club existence.

Table 9: Kiwanis worldwide membership (Wikle, 1997, p. 9)

Year	Kiwanis Membership
1916	650
1920	20,000
1930	102,150
1933	75,493*
1956	238,595
1976	286,402
1996	316,000
* decline caused by the Depression	

According to Wikle (1997, p. 10) the location quotient was selected as a method in order to show spatial patterns of membership; the location quotient shows concentrations that are adjusted for population. As expected, there is a significant relationship between population and the number of Kiwanis clubs in a county; in large metropolitan areas, the concentration of Kiwanis clubs was high (Wikle, 1997, p. 11). The location quotient adjusts these concentrations by taking into account the population size. This resulted into figure 10.

Figure 10: Kiwanis club locations in the United States of America (L) and state membership in Kiwanis by location quotient (R) (Wikle, 1997, p. 11, 13)



As one can see in this figure, concentrations of Kiwanis membership, in terms of location quotient values, are in general the highest in rural counties; high membership concentration is not found in metropolitan areas but in north central and Rocky Mountain states, such as Wyoming, North and South Dakota and Montana (Wikle, 1997, p. 16). Wikle (1997, p. 16) came up with two possible explanations for this. First of all, in more isolated communities it is more likely to join a service club, because there are fewer outlets for leisure time. Secondly, in these isolated areas, club membership is more important for establishing business contacts than in urban areas.

It is disproportionate to include a full doctoral study in this theoretical framework, so I limited myself to the summary of this doctoral thesis. In his doctoral study, Goff (2008, p. VII) noticed that Rotary is defined '(...) as an international non-governmental organisation operating between states and markets'. Moreover, Goff (2008, p. VII) identified Rotary's vision of international cooperation among businesspeople, in order to serve the community, as 'civic internationalism'. The conclusion of Goff's dissertation is that this civic internationalism of Rotary contributed to the economic and cultural imperialism of the United States of America due to the fact that Rotary is a non-state/governmental and non-profit actor (Goff, 2008, p. VIII). This coincides with Wikle's (1999) notion of the role of cultural values inherent to American-style service clubs. Cousin & Chauvin (2014, p. 2209) examined '(...) the cultivation of transnational connections, cosmopolitanism and global class consciousness among members of elite social clubs in Paris'. They found that social clubs, like the Parisian Jockey Club, promote bourgeois cosmopolitanism; these social clubs, which are totally different than service clubs, differentiate themselves from '(...) the more recent internationalism of upper-middle-class service clubs such as the Rotary' (Cousin & Chauvin, 2014, p. 2220). This internationalist component is consistent with other conceptions of service clubs as expressed by Wikle (1999) and Goff (2008).

3.3.4 Conclusion

The literature regarding service clubs is scarce. Kou et al. (2014) examined the way in which women influence charitable giving in an international voluntary service organisation. Although interesting, the study of Kou et al. (2014) is not valuable for this study. The same applies for the studies of Farkas (2012) and Gordon & Babchuk (1959). Given the time spent on community service projects, Hoolwerf

& Schuyt (2010) believe that service clubs (with slogans such as “We Serve” and “Service above self”) pretend to be more than they really are. Wikle (1997) examined the geographic patterns of Kiwanis membership in the United States of America. The author argued that people have a variety of reasons why they join service clubs. They join service clubs because of altruism and/or community concern. Service clubs are also considered as a vehicle to socialise and some people join service clubs in order to develop business contacts and subsequently to increase profits. The same author also examined the international expansion of service clubs (Wikle, 1999). According to Wikle (1999), Rotary was founded in order to bring together businessmen for lunch in order to socialize and to strengthen business contacts. Moreover, the pursuance of human welfare projects in developing countries by service club members is made possible by contacts at the international level (Wikle, 1999).

In the previous section of this chapter (3.2), Foster& Bradach (2005) argued that non-profit managers are not suited to act as businesspeople; they lack realism in evaluating the challenges of running a business. This literature review made clear that businesspeople, like retailers, small manufacturers and independent professionals are often members of service clubs (Wikle, 1997; Goff, 2008). Service clubs can be defined as non-profit organisations operating between states and markets (Goff, 2008). So, it is likely that the business background of service club members affect the activities of service clubs. This study tried to find out why service clubs make use of commercial activity, that is why I have included the concept of commercial background (of service club members) in the theoretical framework.

3.4 Theoretical model

The review of service clubs literature made clear that literature about that subject is scarce. In general, service clubs do have the attention of only a few scholars worldwide. Literature is focused on history, expansion, and the relation of service clubs to philanthropy and social capital (Wikle, 1997; Wikle, 1999; Hoolwerf & Schuyt, 2010; Farkas, 2012; Kou et al., 2014). Wikle (1997) noticed that a typical service club is comprised of '(...) retailers, small manufacturers and independent professionals with a few corporate officials and, in college towns, administrators and teachers'. This is an interesting fact in the light of this study. Taken into account the time spent, per month per service club member, on community service projects, Hoolwerf & Schuyt (2010) argued that service by fundraising is not sufficient anymore in order to substantiate slogans like 'We Serve'. So, 'We Serve' can be placed in a different light if this study can demonstrate that there are local service clubs that have set up social entrepreneurial projects.

3.4.1 Explaining commercial activity and social entrepreneurship; commercial background, revenue volatility, competition for private donations, entrepreneurial orientation and compassion

The review of non-profit funding literature revealed that non-profit organisations diversify their revenue streams. Froelich (1999) examined three revenue strategies (i.e. private contributions, government funding and commercial activity) in non-profit organisations. The author believes that the addition of commercial activity to other forms of income ensures greater income stability and more control over income deployment. This is empirically examined by Carroll & Stater (2009). They found that it is true; non-profit organisations with more diversified revenue portfolios (in terms of earned incomes, contributions, donations) have lower levels of revenue volatility over time. There is a positive relationship between revenue diversification and revenue volatility. Kerlin & Pollak (2011) wiped away the study of Guo (2006); they found that an increase in commercial revenues in non-profit organisations is not due to a decrease in government funding or private contributions. They believe that this finding can be explained from an institutional point of view; the resource dependency theory is not suited to explain this. From an institutional point of view, the authors argue that an increased competition for government grants and private contributions is the reason why commercial revenues in non-profit organisations have risen. Several authors (Eikenberry & Kluver, 2004; Eikenberry, 2009; Nickel & Eikenberry, 2009; Foster & Bradach, 2005) are sceptical about commercial revenues as a funding stream of non-profit organisations. It is remarkable that those articles are predominately normative in nature. Foster & Bradach (2005) even argue that non-profit managers are not suited to act as businesspeople; they lack realism in evaluating the challenges of running a business. However, I believe that this critique is not applicable in every situation. It is quite possible that, due to different backgrounds (for instance in business), service clubs members are very capable in deploying successful commercial activities.

Based on these theoretical insights, I formulated the following hypotheses. Hypotheses 2a, 3a and 4a should give us insight to what extent the use of commercial activities by local Rotary and Lions clubs in the Netherlands can be explained by the commercial background of service club members, reduced revenue volatility and increased competition for private contributions, donations and subsidies (i.e. sub research question 2). Moreover, I also formulated hypotheses 2b, 3b and 4b in

order to examine the influence of these variables on the level of social entrepreneurialism (i.e. research question 4).

H₁: local Rotary and Lions clubs in the Netherlands make use of commercial activity in order to diversify their revenue streams.

H_{2a}: the higher the extent to which service club members with commercial background set up commercial activity within a particular service club, the higher the level of commercial activity within that club.

H_{2b}: the higher the extent to which service club members with commercial background set up commercial activity within a particular service club, the higher the level of social entrepreneurialism within that club.

H_{3a}: the higher the perceived level of income stability (i.e. reduced revenue volatility) due to commercial activities within a particular service club, the higher the level of commercial activity within that club.

H_{3b}: the higher the perceived level of income stability (i.e. reduced revenue volatility) due to commercial activities within a particular service club, the higher the level of social entrepreneurialism within that club.

H_{4a}: the higher the perceived level of competition for private contributions/donations and subsidies within a particular service club, the higher the level of commercial activity within that club.

H_{4b}: the higher the perceived level of competition for private contributions/donations and subsidies within a particular service club, the higher the level of social entrepreneurialism within that club.

Short et al. (2009) already noticed that social entrepreneurship literature is dominated by conceptual articles. The literature review in this thesis confirms this observation by Short et al. (2009). Recent literature is (still) predominately focused on definition issues; the debate about what is meant by social entrepreneurship has not yet been crystallized. Moreover, scarce empirical social entrepreneurship literature is focused on qualitative case-studies and heroic stories.

In order to examine to what extent commercial projects (set up by local Rotary and Lions clubs in the Netherlands) can be characterised as social entrepreneurial, it is necessary to determine what, in general, is meant by social entrepreneurship. Mair & Marti (2006) defined social entrepreneurship as a process involving the innovative use and combination of resources to pursue opportunities to catalyse social change and/or address social needs. Meyskens et al. (2010), argued that all types of entrepreneurs (social or commercial) depend upon interlinked resources in order to create value. Santos (2012) developed a positive theory of social entrepreneurship instead of a normative theory in order to avoid the process of assigning normative connotations of 'social' to one group of activities and withholding this designation to another group of activities. He lays emphasis on value creation (i.e. social) instead of value capture (i.e. commercial) and addressing neglected problems with positive externalities that benefit a powerless segment of the population. Peredo & McLean (2006) and Neck et al. (2009) argue that employment is an example of a positive externality of profit-seeking businesses, but is considered to be a usual positive externality. Those authors came to the conclusion that such an externality is not something that contributes to the creation of (social) value. Peredo &

McLean (2006) argue that a social entrepreneurial initiative can also occur within the structure of an existing organisation, whether it is a for-profit, not-for-profit or public organisation. In addition, Neck et al. (2009) believe that the particular domain of social entrepreneurship consists of social purpose ventures and enterprising non-profits. According to Austin et al. (2006), the distinction between commercial and social entrepreneurship is not dichotomous per se, but more like a continuum.

The definition debate is complex and I do not pretend to know which authors are right and which are not. For the purpose of this study it makes sense to have a workable definition. So, having read the articles of different scholars and their different definitions, a social entrepreneurial project/initiative, in my opinion, entails:

- addressing problems / social needs that are neglected by the market or government;
- those problems / social needs are examples of positive externalities and concern a powerless segment of a population;
- value is created in order address those problems / social needs;
- opportunities are identified and resources combined to create that value;
- willingness to bear risk.

Based on these theoretical insights, I formulated the following hypothesis:

H₅: there are projects of local Rotary and Lions clubs in the Netherlands that can be characterised as social entrepreneurial.

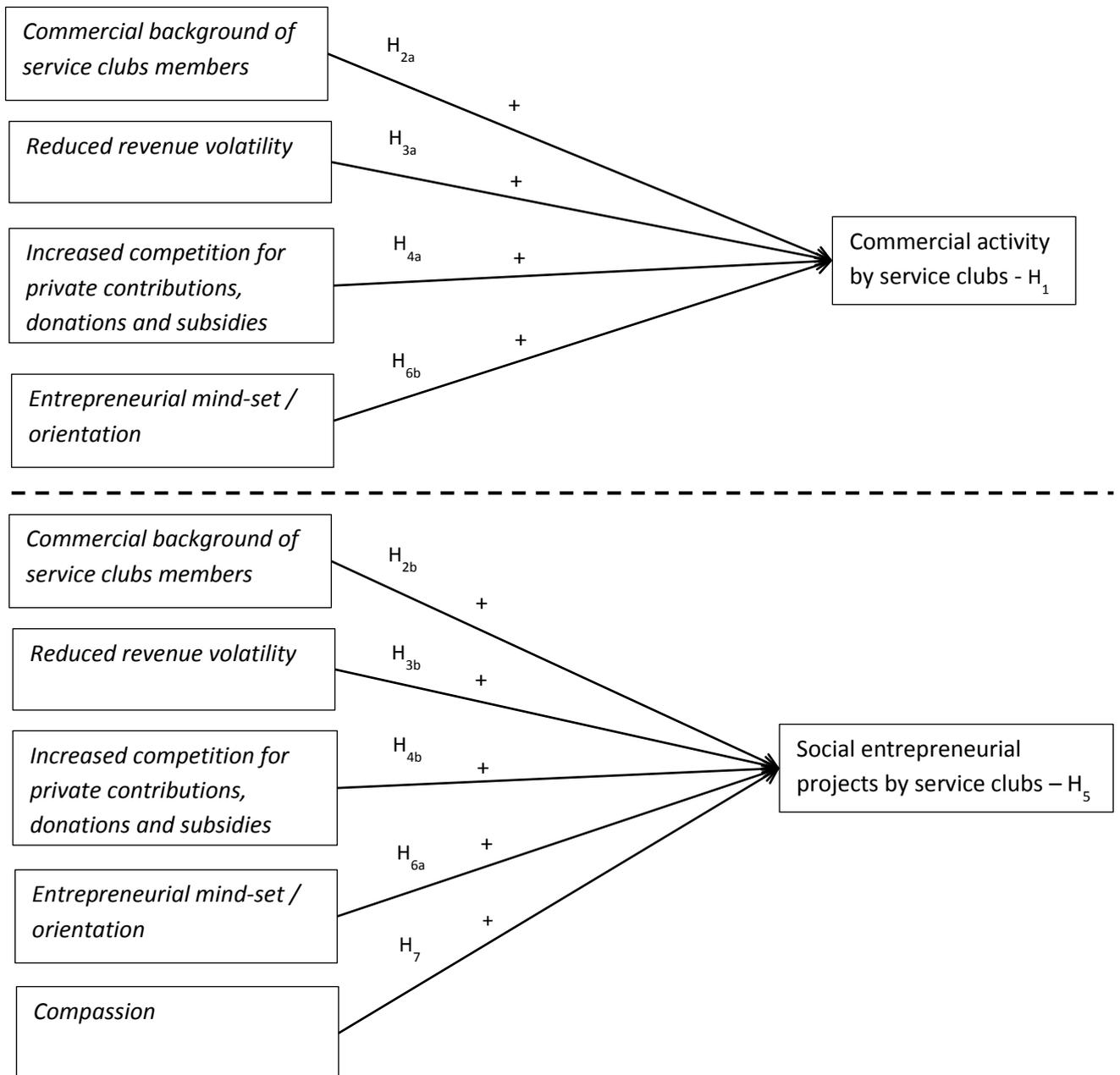
Regarding the likeliness that service clubs become involved in social entrepreneurial projects, two factors are of importance. First of all, the entrepreneurial mind-set / orientation. Neck et al. (2009, p. 17) argued that ‘an entrepreneurial mind-set and deep understanding of social problems, combined, can help an entrepreneur leverage a host of opportunities to start and grow social purpose ventures or enterprising non-profits’. This theoretical insight results in hypothesis 6a. In the next chapter, the entrepreneurial mind-set / orientation is operationalised based on Rauch et al. (2009). Again, I also formulated hypothesis 6b in order to examine the influence of the entrepreneurial mind-set on the level of commercial activity. Secondly, compassion among service club members. Miller et al. (2012, p. 617) explored ‘(...) how compassion may be responsible for encouraging social entrepreneurship—the process of launching a hybrid organisational form that creates social value through market-based methods’. As a consequence of the emotional connection to a suffering community, commitment needed to alleviate the suffering of others grows. As a result, involvement in social entrepreneurial projects is more likely.

H_{6a}: the higher the level of entrepreneurial orientation within service clubs, the higher the level of social entrepreneurial projects that have been set up by service clubs compared to other activities.

H_{6b}: the higher the level of entrepreneurial orientation within service clubs, the higher the level of commercial activity within that club.

H₇: the higher the level of compassion among service club members, the higher the level of social entrepreneurial projects that have been set up by service clubs compared to other activities.

Figure 11: theoretical model



4. Methodology

In this chapter, the methodological choices of this study will be explained. The way in which the research questions are going to be addressed is part of this. This chapter has also the function of justifying the corresponding choices. In the first section, the research design will be explained. Then, in the second section, data collection methods are chosen and described. In addition, attention is paid to data analysis methods in the third section of this chapter. In the fourth section of this chapter, the concepts from the previous chapter will be operationalised which should result in a survey and in a structured questionnaire for the purpose of interviews. In the final section, the threats of the methods and techniques chosen are described.

4.1 Research design

Babbie (2007, p. 87-90) distinguishes three purposes of research: exploration, description and explanation. An explanatory study aims to explain things (Babbie, 2007, p. 89). This study can be characterised as predominantly explanatory (theory testing in a specific setting). Moreover, this study could be taken as a starting point for a more extensive study; in chapter 8 more about this. So, the predominant purpose of this study is to explain a phenomenon in a specific setting by means of theoretical insights. This does not mean that some sub questions of this study can be characterised as descriptive. A descriptive study describes situations and events; observations are written down. Descriptive studies often answer 'what-questions', while explanatory studies answer 'why-questions'. Sub questions I & III can be characterised as descriptive; sub questions II & IV can be characterised as explanatory. The units of analysis are the units that are being studied; the 'who and what' (Babbie, 2007, p. 94); individuals are the most typical units of analysis in social science research. In this study, this is not the case; the units of analysis are: 'local Rotary and Lions clubs in the Netherlands'. Regarding the time dimension, this study is cross-sectional in nature; the observations will represent one single point of time, but are retrospective (Babbie, 2007, p. 102). The study is not longitudinal, since the research design does not involve different points in time at which data is collected. As mentioned in section 2.2, I chose to study/observe only the local service clubs of Rotary and Lions and not all the other (international) service clubs that operate in the Netherlands. The reason why I chose to exclude other (international) service clubs is the fact that Rotary and Lions are by far the biggest service clubs in both number of members and number of local clubs. In the Netherlands in 2005, Rotary had 19.600 members who were spread among 468 local clubs; Lions had 11.500 members who were spread among 400 local clubs (Schuyt et al., 2007, p. 166). These service clubs account for almost 70% of the total number of Dutch service clubs members (i.e. 47.000 in 2005) and for 55% of the total number of local clubs (i.e. 1.595 in 2005). It makes sense to start with the biggest service clubs in the Netherlands; this delineates this study to acceptable proportions. Data will be collected by means of a survey. This study will not experimentally test relationships between variables through pre- and post-testing in experimental and/or control groups as mentioned by Babbie (2007, p. 221-239). So, the research design of this study can be characterised as survey research (i.e. predominantly quantitative). In figure 12, a visual representation of the research design.

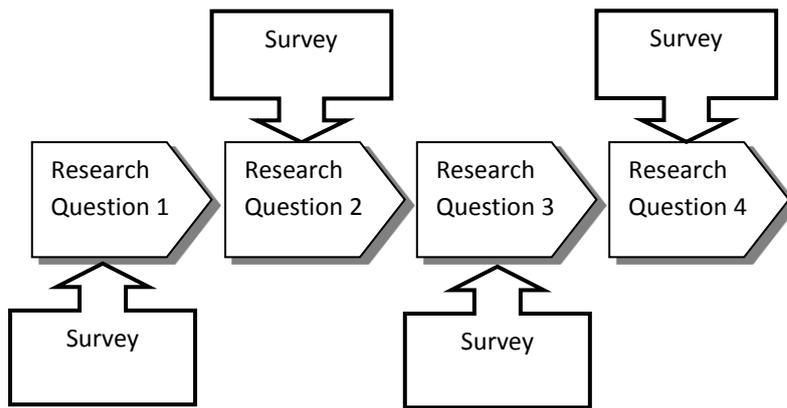


Figure 12: Research design

- I. To what extent do local Rotary & Lions clubs in the Netherlands make use of commercial activity?
- II. To what extent can the use of commercial activities by local Rotary & Lions clubs in the Netherlands be explained by: the commercial background of service club members, reduced revenue volatility, increased competition for private contributions, donations and subsidies and entrepreneurial orientation?
- III. To what extent can projects, set up by local Rotary & Lions clubs in the Netherlands, be characterised as social entrepreneurial?
- IV. To what extent can social entrepreneurialism among service clubs be explained by: the commercial background of service club members, reduced revenue volatility, increased competition for private contributions, donations and subsidies, entrepreneurial orientation and compassion?

4.2 Data collection

In this section, the data collection method, used in this study, is explained. Babbie (2007, p. 245) stated that surveys include the use of a questionnaire, which is defined as ‘an instrument specifically designed to elicit information that will be useful for analysis’. A questionnaire may consist of open-ended questions and close-ended questions (Babbie, 2007, p. 246). Open-ended questions are questions for which the respondent is asked to provide his/her own answers and are useful in order to get in-depth information. Close-ended questions are questions in which the respondent is asked to select an answer from among a list provided by the researcher. Moreover, close-ended questions provide a greater uniformity of responses and are more easily processed than open-ended questions. Close-ended questions can contain ‘yes’ or ‘no’ answers. However, it is also possible to design the close-ended questions in such a way so that the respondent can make a nuance in his answer, for instance by means of the Likert scale. The Likert scale improves the levels of measurement through the use of standardized response categories in order to determine the relative intensity of different items (Babbie, 2007, p. 170-171). The questionnaire I designed contains both close-ended and open questions. The close-ended questions are often 7-points scale items (i.e. ordinal scale) and sometimes 10-points scale items (i.e. ratio scale). Babbie (2007, p.245-257) also provided the readers with tips for the construction of questionnaires, like avoiding double-barrelled questions, ambiguities, biased and/or negative items. I tried to integrate these tips as much as possible. The survey was designed using LimeSurvey from IGS DataLab.

In appendix VI, one can find the survey I sent by e-mail to all the treasurers c.q. boards of local Rotary and Lions clubs in the Netherlands. The reason why I chose to address the survey to local treasurers is the assumption that they have directly access to financial data about the revenue streams of their club. So, I believe they can best answer the survey questions. Anno 2015, Rotary Netherlands has

about 500 local Rotary clubs in the Netherlands; Lions Netherlands has about 450 local Lions clubs in the Netherlands. I had not all e-mail addresses corresponding to those clubs. As a consequence, I sent the survey to 444 Rotary treasurers and 435 Lions boards. In the case of Lions, I asked in the e-mail whether the treasurer wanted to fill in the survey. In the end, 241 out of the 879 recipients responded, which means that the response rate is 27.42%, which is acceptable. I have tried to enhance the response rate by means of sending two follow-up mails. Babbie (2007, p. 262) argued that three mailings (an original and two follow-ups) seem the most efficient.

4.3 Data analysis

In this section, the way in which the data collected are analysed is described. As mentioned in section 4.1, this study contains a (predominately) quantitative data collection method. Consequently, data which are collected are analysed quantitatively.

Babbie (2007, p. 405) describes quantitative analysis as the numerical representation and manipulation of observations for the purpose of describing and explaining the phenomena that those observations reflect. In this study, I made use of univariate analysis, bivariate analysis and multivariate analysis. The univariate analysis is defined as the analysis of a single variable, for the purpose of description (Babbie, 2007, p. 409). Frequency distributions, averages, and measures of dispersion are examples of univariate analysis. In sections 5.1 and 6.1 one can find predominately univariate analyses. The bivariate analysis is defined as the analysis of two variables simultaneously, for the purpose of determining the empirical relationship between them (Babbie, 2007, p. 419). The computation of a correlation coefficient is an example of bivariate analysis. In sections 5.2 and 6.2 one can find predominately bivariate analyses. The multivariate analysis is defined as the analysis of more than two variables simultaneously (Babbie, 2007, p. 424). A regression analysis, a method of data analysis in which the relationships among variables are represented in the form of an equation (Babbie, 2007, p. 456), is an example of a multivariate analysis. In sections 5.3 and 6.3 one can find predominately multivariate analyses.

As mentioned in the previous section, the questionnaire contains close-ended questions with a 7-points (ordinal) scale and some questions with a 10-points (interval) scale. However, I treated the data of these 7-point scale questions also as continuous since there is an underlying measurement continuum (0 = no extent, 6 = full extent).

4.4 Operationalisation

In chapter 3, a theoretical framework is established. Based on theoretical insights, hypotheses are formulated. In this section I describe the way in which these theoretical concepts are operationalised. Operationalisation is one step beyond conceptualization and can be defined as 'the process of developing operational definitions, or specifying the exact operations involved in measuring a variable' (Babbie, 2007, p. 44). The operationalisation of the relevant concepts will be reflected in the questionnaire of the survey and in the structured questionnaire for the interviews.

Note that there are nominal answer options (0 = no; 1 = yes), ordinal answer options (7-points scale; 0 = no extent, 6 = full extent) which are treated as continuous and ratio answer options (10-points scale; 1 = 0-10%, 10 = 90-100%)

4.4.1 Commercial activity

Commercial activity can be defined as an activity focused on trade, such as ‘as selling products to customers or charging fees for program services’ (Froelich, 1999, p. 247). In the theoretical model I described, there are four possible explanations for the extent of commercial activities among service clubs and the extent of social entrepreneurial projects set up by local service clubs. First of all, the commercial background of service clubs. Secondly, the reduced revenue volatility. Thirdly, the increased competition for private contributions, donations and (government) subsidies. Fourthly, the entrepreneurial orientation (see 4.4.4).

Commercial activities	Presence	<p>In the period 2010-present, did your local service club ever make use of commercial activities in order to raise funds (for a service project)?</p> <p>Before 2010, did your local service club make more or less use of commercial activities in order to raise funds (for a service project)?</p>
	Relative presence	<p>In the period 2010-present, to what extent did your local service club make use of commercial activities in order to raise funds (for a service project)?</p> <p>What is the approximate percentage of income from commercial activities compared to the total revenue?</p> <p>What is the approximate annual total revenue (average) of your service club in euros?</p>
	Commercial background of service club members	<p>To what extent are commercial activities conceived or set up by club members with a commercial background / profession in their daily lives?</p> <p>What is the approximate percentage of club members that interfered with setting up commercial activities compared to the total number of club members?</p> <p>What is the approximate percentage of club members with a commercial background/profession compared to the total number of club members?</p>
	Reduced revenue volatility	<p>To what extent are commercial activities, as a tool to raise funds, used in order to provide income stability within your service club?</p> <p>Does income from commercial activities ensure that your service club has more control over income deployment than if your service club earned no income from commercial activities, but rather from</p>

		contributions, donations and (government) subsidies?
	Increased competition for private contribution/donations and (government) subsidies	<p>To what extent are commercial activities, as a tool to raise funds, used because they are an alternative to increased competition for private contributions, donations and (government) subsidies?</p> <p>To what extent is your service club, in order to raise funds, dependent on private contributions, donations and (government) subsidies?</p> <p>What is the approximate percentage of income from on private contributions, donations and (government) subsidies compared to the total revenue?</p>
	Other	What (other) reason(s) does your service club have concerning the use of commercial activities?

4.4.2 Social entrepreneurship

In the theoretical framework I defined that a social entrepreneurial project entails several aspects. In order to determine whether a service club has set up a social entrepreneurial project, I formulated four criteria derived from the aspects. I did not include a question regarding the combination of resources since I consider this inherent to value creation.

A social entrepreneurial project	Presence	<p>Did your service club, in the period 2010-present, set up a project (or more projects) which meets all (!) of the following four criteria:</p> <ol style="list-style-type: none"> 1. The project addresses a problem / social need that is neglected by the market or government; 2. The problem / social need addressed concerns a powerless segment of a population; 3. In the project, value is created (by means of commercial activity) in order address the problem / social need; 4. In the project, your service club took risk in order to create that value.
	Relative presence	To what extent did your service club, in the period 2010-present, set up such projects in relation to other activities?
	Goal attainment	To what extent has the project (or have the projects) attained the intended goal?
	Project description	Could you briefly describe the (if applicable: most successful) project in terms of its goal, the way in which value is created and risk was taken?

4.4.3 Compassion

According to Miller et al. (2012, p. 617) compassion can be characterised as ‘(...) other-orientation and emotional connection linking an individual to a suffering community (...) and serves as a prosocial motivating emotion (i.e. the desire to benefit others)’. As a consequence, this emotional connection encourages the commitment needed to undertake demanding and difficult responses (i.e. commitment to alleviating the suffering of others)’. In order to measure the concept of compassion, I have chosen the following two variables: the emotional connection to others suffering and the commitment to alleviating others’ suffering.

Compassion	Emotional connection to others’ suffering	To what extent are members of your service club concerned with the suffering of powerless segment(s) of a population?
	Commitment to alleviating others’ suffering	To what extent are members of your service club committed to alleviate the suffering of powerless segment(s) of a population?

4.4.4 Entrepreneurial mind-set / orientation

As mentioned in the theoretical framework, an entrepreneurial mind-set / orientation can lead to successful social entrepreneurial projects (set up by service clubs). The entrepreneurial mind-set /orientation is operationalised in corresponding literature. Rauch et al. (2009) reviewed and evaluated the cumulative knowledge on the relationship between Entrepreneurial Orientation and business performance. The Entrepreneurial Orientation can be defined as ‘(...) the strategy making processes that provide organizations with a basis for entrepreneurial decisions and actions’ (Rauch et al., 2009, p. 3). Three dimensions of the entrepreneurial orientation have been identified in literature, namely: innovativeness, risk-taking and proactiveness. Regarding the measurement of the concept, the original nine-item formulation of these three dimensions (Covin and Slavin, 1989) dominated in the literature review of Rauch et al. (2009). However, for this study this original nine-item scale is not suited; it should be adjusted to the context. According to Rauch et al. (2009, p. 6-7), innovativeness refers to the propensity to experimentation through the introduction of new products/services; risk taking involves taking bold actions and the allocation of resources to projects with uncertain outcomes; proactiveness refers to an opportunity seeking, forward-looking perspective (i.e. being ahead of the competition and anticipating on future demand). In the next table, one can find the operationalisation of the entrepreneurial orientation in the context of service clubs.

Entrepreneurial orientation	Innovativeness	To what extent does your service club experiment in setting up new and unique projects?
	Proactiveness	To what extent does your service club set up new and unique projects compared to other service clubs?

	Risk taking	To what extent is your service club willing to take financial risk in setting up projects?
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4.5 Strengths and weaknesses of methods

Each method used in this study has its advantages and disadvantages. According to Babbie (2007, p. 276) surveys are very useful in describing the characteristics of a large population. The survey of this study is sent to 879 respondents, which is indeed a large population. Moreover, survey research offers the researcher flexibility; the researcher is not committed to a particular operation definition of a concept (as it is in the case of experimental research), but can develop operational definitions him-/herself (Babbie, 2007, p. 276). In the previous section one might have noticed the outcomes of this flexibility. Moreover, Babbie (2007, p. 276) argues that standardised questionnaires do have an important strength in regard to measurement generally. At the same time, this standardisation might fail in the reflection of what respondents actually think; they have to choose for a suboptimal, predetermined, answer. Babbie (2007, p. 276) states that ‘surveys often appear superficial in their coverage of complex topics’. Survey research cannot deal with the context of social life; the researcher is not able to feel and observe what respondents are thinking and acting.

4.5.1 Validity and reliability

It is useful to pay attention to the methodological concept of validity (Babbie, 2007, p. 146-149). Validity is about the extent to which the empirical measure reflects the concept it intended to measure (Babbie, 2007, p. 146). Reliability is about whether a research technique continuously produces the same result (Babbie, 2007, p. 143). Survey research is generally weak on validity and strong on reliability (Babbie, 2007, p. 277). Survey responses must be regarded as approximate indicators of what the researchers had in mind when they framed the questions. Survey research eliminates unreliability in observations made by the researcher.

4.5.1 Scale reliability measured by Cronbach’s alpha

Regarding the concept of compassion, it is useful to test empirically whether it is acceptable to merge two questionnaire items (i.e. the question regarding the emotional connection to others suffering and the question regarding the commitment to alleviating others’ suffering) to one scale (i.e. compassion). The Cronbach’s alpha α is the most common measure of scale reliability (Field, 2013, p. 708). The output of Cronbach’s alpha regarding the concept of compassion can be found below.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
,844	,844	2

Cronbach's alpha $\alpha = 0.844$ and exceeds 0.7, a general accepted bottom-line value (Field, 2013, p. 715). Moreover the item-total correlation for both items is 0.73 and should be above 0.3 (Field, 2013, p. 713). So, the conclusion is that, based on a statistical reliability analysis, both questionnaire items can be merged into one scale.

Regarding the concept of entrepreneurial orientation, it is useful to test empirically whether it is acceptable to merge three questionnaire items (i.e. the questions regarding innovativeness, proactiveness and risk taking) to one scale (i.e. entrepreneurial orientation). The output of Cronbach's alpha regarding the concept of entrepreneurial orientation can be found below.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
,621	,613	3

Cronbach's alpha $\alpha = 0.621$ and is below 0.7. The item-total correlation for innovativeness is 0.598, for proactiveness 0.614 and for risk taking 0.149 and should be all above 0.3. This means that the item of risk taking should be excluded for scale construction. If this item is deleted, the Cronbach's alpha is 0.861 and the item-total correlation for both items is 0.76. So, the conclusion is that the three questionnaire items (i.e. the questions regarding innovativeness, proactiveness and risk taking) cannot be merged into one scale based on the statistical reliability analysis. The item of risk taking should be deleted. So, the entrepreneurial orientation scale consists of two items: innovativeness and proactiveness.

4.5.2 Test for normality

Another issue is the way in which it is determined whether or not data is normally distributed. First of all, it is useful to look at the graphs (i.e. histograms) of the data. Secondly, skewness and kurtosis values; the further the values are from zero, the more likely it is that the data are not normally distributed (Field, 2013, p. 185). Moreover, these scores can be converted to z-scores by dividing these scores by their standard error; scores greater than 1.96 (ignoring minus sign) are significant at $p < .05$ indicating that you have problems with skewness/kurtosis (Field, 2013, p. 185). If one or two of the z-score is/are significant, I will not accept the distribution as normal. Running a Kolmogorov-Smirnov test or a Shapiro-Wilk test is another way of examining normality (Field, 2013, p. 185). I will not run these tests; these tests are often significant (indicating non-normality) while the visual graphs show minor deviations from normality. A combination of assessing graphs and z-scores of kurtosis and skewness values in order to assess normality is sufficient (Field, 2013, p. 184-185).

5. Commercial activity among local Rotary and Lions clubs in the Netherlands

In this chapter, the survey results regarding commercial activity among local Rotary and Lions clubs in the Netherlands are described. Moreover, answers are given to the sub questions 1 and 2 of this study. As mentioned earlier, the results are analysed in a quantitative way. SPSS is used in order to conduct several analyses, like correlation and multiple linear regression.

5.1 Descriptive statistics

241 out of the 879 recipients filled in the survey, which means that the response rate is 27.42%. 197 out of the 241 (81.74%) respondents were treasurers of a local Lions or Rotary clubs. 37 out of the 241 (15.35%) respondents were secretaries of a local Lions or Rotary clubs. 4 out of the 241 (1.66%) respondents were presidents of a local Lions or Rotary clubs. 3 respondents gave up other functions, such as 'secretary and past-president', 'member' and 'board member'.

5.1.1 Commercial activity among local service clubs

In chapter 3 I formulated the following hypothesis.

H₁: local Rotary and Lions clubs in the Netherlands make use of commercial activity in order to diversify their revenue streams.

156 out of the 241 respondents answered positively on the following question: in the period 2010-present, did your local service club ever make use of commercial activities in order to raise funds (for a service project)? This comes down to 64.73%. The conclusion can be drawn that a majority of the service clubs in the Netherlands make use of commercial activity (in order to diversify their revenue streams). So, there is enough evidence to accept hypothesis 1.

140 out of the 156 respondents answered the question regarding the use of commercial activities in order to raise funds, before 2010. Below, one can find the frequencies and percentages.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less	39	25,0	27,9	27,9
	Same	89	57,1	63,6	91,4
	More	12	7,7	8,6	100,0
	Total	140	89,7	100,0	
Missing	System	16	10,3		
Total		156	100,0		

The results indicate that the use of commercial activities is not a kind of bubble; it seems that the use of commercial activities increased slowly in the period 2010 – present compared to the period before 2010. The net effect is, for what it is worth, $27.9\% - 8.6\% = 19.3\%$.

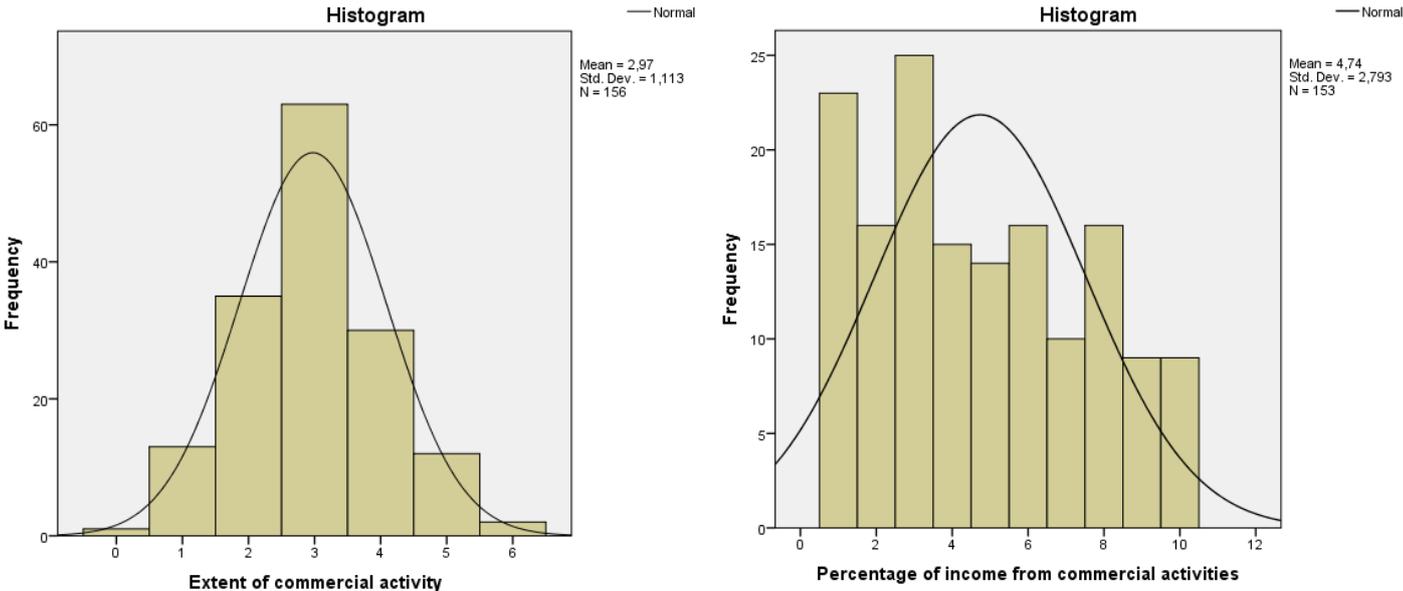
156 respondents answered the question regarding the extent to which local service clubs make use of commercial activity in order to raise funds (frequencies; no extent: 1, very small extent: 13, small

extent: 35, reasonable extent: 63, large extent: 30, very large extent: 12, full extent: 2); 153 respondents answered the question regarding the approximate percentage of income from commercial activities compared to the total revenue (frequencies; 0-10%: 23, 10-20%: 16, 20-30%: 25, 30-40%: 15, 40-50%: 14, 50-60%: 16, 60-70%: 10, 70-80%: 16, 80-90%: 9, 90-100%: 9). Below, one can find the descriptive statistics regarding these two questions.

Statistics			
		Extent of commercial activity	Percentage of income from commercial activities
N	Valid	156	153
	Missing	0	3
Mean		2,97	4,74
Std. Error of Mean		,089	,226
Median		3,00	4,00
Std. Deviation		1,113	2,793

Regarding the extent to which local service clubs make use of commercial activity in order to raise funds, the mean is 2.97 and the median 3.0. In general, the average extent of commercial activities among local service clubs that make use of commercial activities can be considered as reasonable (3.0 = reasonable extent). Regarding the approximate percentage of income from commercial activities compared to the total revenue, the mean is 4.74 and the median 4.0. In general, the approximate average percentage of income from commercial activities compared to the total revenue among local service clubs that make use of commercial activities is around 40% (4.0 = 30-40%, 5.0= 40-50%). In the figure below, the distributions of the extent of commercial activity and the approximate percentage of income from commercial activities are shown.

Figure 13: (normal) distribution regarding the extent of commercial activity and the approximate percentage of income from commercial activities.



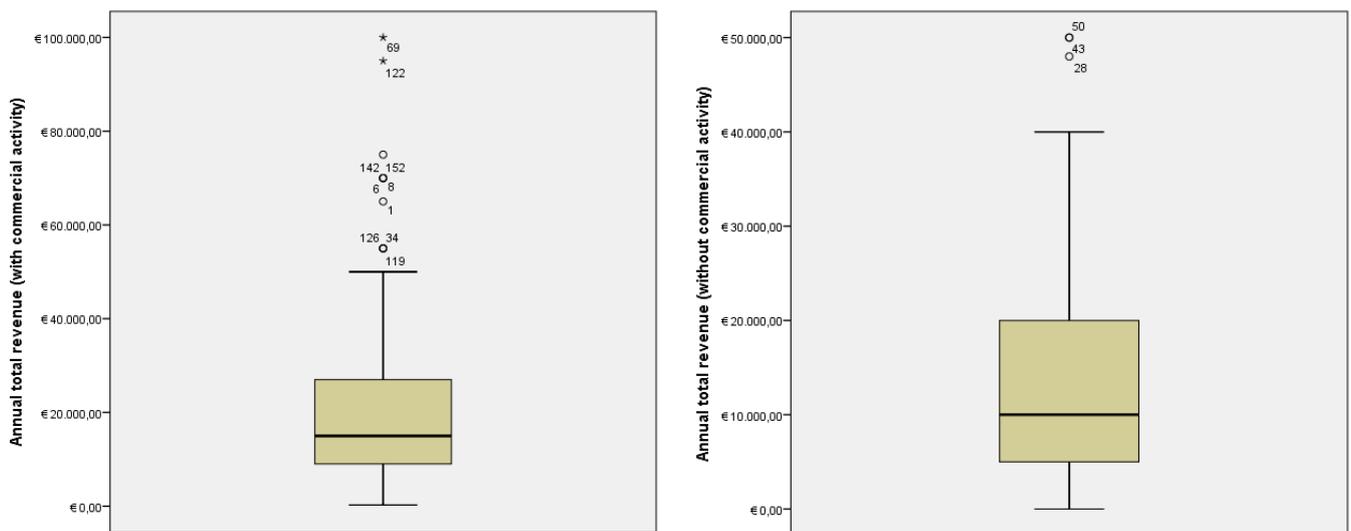
The distribution of data regarding the extent of commercial activity is reasonably normal (skewness value: 0.136, skewness z-score: $0.70 < +/-1.96$; kurtosis value: 0.048, kurtosis z-score: $0.12 < +/-1.96$); this is not the case for the distribution of data regarding the percentage of income from commercial activities (skewness value: 0.319, skewness z-score: $1.63 < +/-1.96$; kurtosis value: -1.080, kurtosis z-score: $-2.77 > +/-1.96$). The conclusion can be drawn that the data regarding the extent of commercial activity are reasonably normally distributed; this is not the case for the data regarding the approximate percentage of income from commercial activities.

5.1.2 Annual total income of service clubs

231 respondents filled in the question regarding the approximate annual total revenue (average) of their service club in euros. In total, 10 respondents did not fill in this question. In sum, the 231 local service clubs account for € 4.288.650,-. The club average is € 18.566,-.

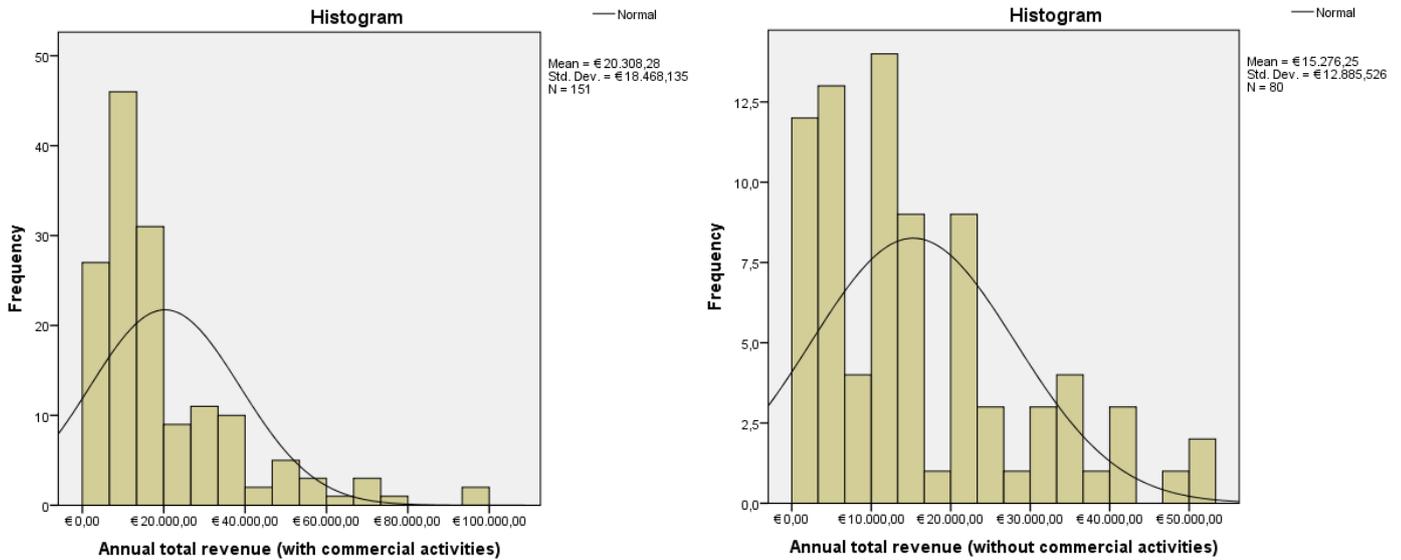
The 151 (= 156 – 5 non-respondents) service clubs who make use of commercial activities account for € 3.066.550,-; the club average is € 20.308,-. The 80 (= 85 – 5 non-respondents) service clubs who do not make use of commercial activities account for € 1.222.100,-; the club average is € 15.276,-. In the figure below, the two boxplots can be found regarding the annual total revenue of service clubs with (right) and without (left) commercial activities.

Figure 14: boxplots regarding annual total revenue of service clubs with and without commercial activities.



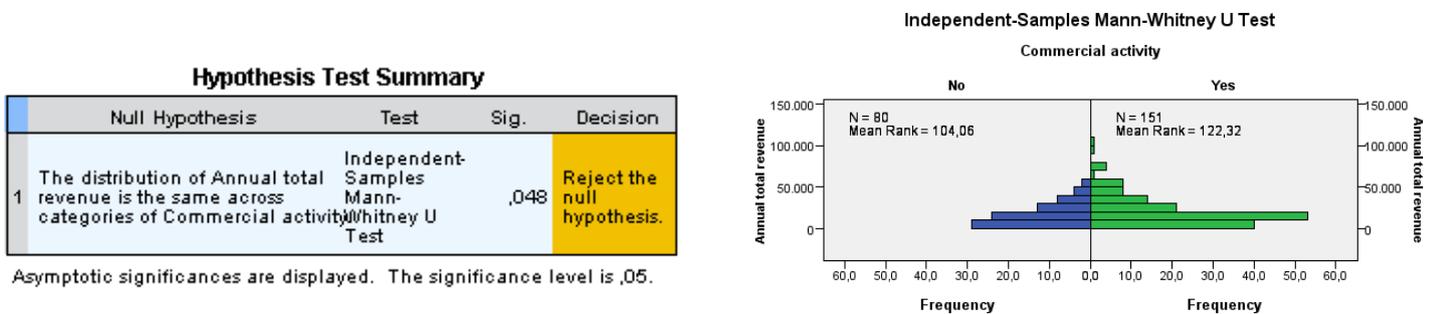
In the figure below, one can find the distribution of data regarding annual total revenue with commercial activities (skewness value: 1.838, skewness z-score: $9.33 > +/-1.96$; kurtosis value: 3.841, kurtosis z-score: $9.80 > +/-1.96$) and the distribution of data regarding annual total revenue without commercial activities (skewness value: 1.027, skewness z-score: $3.82 > +/-1.96$; kurtosis value: 0.310, kurtosis z-score: $0.58 < +/-1.96$). Based on the graphs and these values, the conclusion can be drawn that those distributions are not normal.

Figure 15: (normal) distribution regarding annual total revenue of service clubs with and without commercial activities.



So, the independent t-test cannot be applied since it requires a normal distribution of the data sets (Field, 2013, p. 371). The Mann-Whitney test is the non-parametric equivalent of the independent t-test (Field, 2013, p. 219). In the figure below, the results of the Mann-Whitney test can be read.

Figure 16: Mann-Whitney test regarding annual total revenue (with and without commercial activity)



The p-value = .048 and is less than the critical value of .05. So, the null hypothesis (there is no difference in the distribution of annual total revenue across categories of commercial activity; with or without commercial activity) should be rejected. This means that the service clubs that do make use of commercial activities (mean rank = 122.32, median = 15.000) do have a significant higher level of annual total revenue than the clubs that do not make use of commercial activities (mean rank = 104.06, median = 10.000), with: $U = 6.995$, $z = 1.981$, $p = .048$, $r = .13$.

Total N	231
Mann-Whitney U	6.995,000
Wilcoxon W	18.471,000
Test Statistic	6.995,000
Standard Error	482,073
Standardized Test Statistic	1,981
Asymptotic Sig. (2-sided test)	.048

5.1.3 Commercial background of service club members

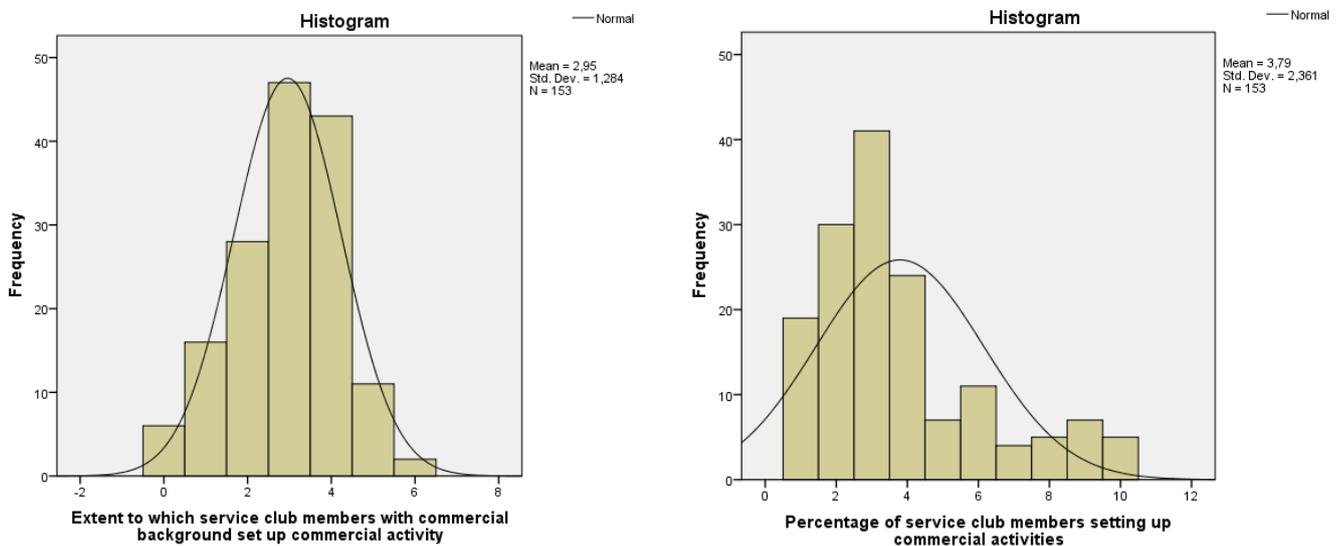
153 respondents answered the question regarding the extent to which commercial activities are conceived or set up by club members with a commercial background / profession in their daily lives (frequencies; no extent: 6, very small extent: 16, small extent: 28, reasonable extent: 47, large extent: 43, very large extent: 11, full extent: 2). 153 respondents answered the question regarding the approximate percentage of club members that was involved in setting up commercial activities compared to the total number of club members (frequencies; 0-10%: 19, 10-20%: 30, 20-30%: 41, 30-40%: 24, 40-50%: 7, 50-60%: 11, 60-70%: 4, 70-80%: 5, 80-90%: 7, 90-100%: 5). 154 respondents answered the question regarding the approximate percentage of club members with a commercial background/profession compared to the total number of club members in service clubs that do make use of commercial activity members (frequencies; 0-10%: 19, 10-20%: 30, 20-30%: 41, 30-40%: 24, 40-50%: 7, 50-60%: 11, 60-70%: 4, 70-80%: 5, 80-90%: 7, 90-100%: 5). Below, one can find the descriptive statistics regarding these three questions. Note that, again, these results are related to the respondents who answered that their service club makes use of commercial activities in order to raise funds.

Statistics

		Extent to which service club members with commercial background set up commercial activity	Percentage of service club members setting up commercial activities	Percentage of service club members with commercial background
N	Valid	153	153	154
	Missing	3	3	2
Mean		2,95	3,79	4,55
Std. Error of Mean		,104	,191	,171
Median		3,00	3,00	4,00
Std. Deviation		1,284	2,361	2,121

Regarding the extent to which commercial activities are conceived or set up by club members with a commercial background / profession in their daily lives, the mean is 2.95 and the median 3.0. In general, the average extent to which commercial activities are conceived or set up by club members with a commercial background / profession in their daily lives can be considered as reasonable (3.0 = reasonable extent). In the figure below, the distribution of the extent to which commercial activities are conceived or set up by club members with a commercial background / profession in their daily lives is shown (skewness value: -0.310, skewness z-score: -1.58 < +/- 1.96; kurtosis value: -0.217, kurtosis z-score: -0.56 < +/- 1.96). Based on these values and the graphical representation of the data, the conclusion can be drawn that the data regarding the extent to which commercial activities are conceived or set up by club members with a commercial background / profession in their daily lives are normally distributed.

Figure 17: (normal) distributions regarding the extent to which commercial activities are conceived or set up by club members with a commercial background / profession in their daily lives; and, the percentage of club members that is involved in setting up commercial activities compared to the total number of club members.

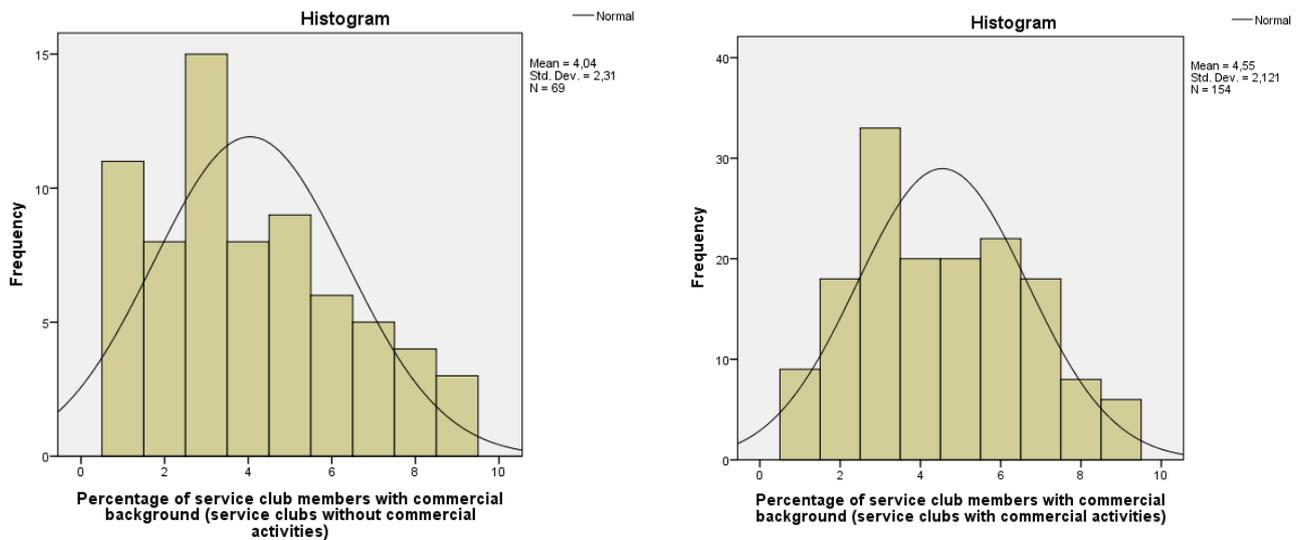


Regarding the percentage of club members that is involved in setting up commercial activities compared to the total number of club members, the mean is 3.79 and the median 3.0. In general, the approximate average percentage of club members that is involved in setting up commercial activities compared to the total number of club members (among local service clubs that make use of commercial activities) is around 30-35% (3.0 = 20-30%, 4.0= 30-40%). Almost half of the local service clubs (46.4%) deploy between 10-30% of their members for setting up commercial activities. The distribution of the data is positively skewed (i.e. skewed to the right). Only 1 out of the 4 local service clubs (25.5%) deploys more than 40% of their members for setting up commercial activities. A possible explanation could be the division of tasks within local service clubs; the local club structure (i.e. committees) is often aligned with the founding principles of service clubs. In the figure above, one can find the distribution of the data regarding the approximate percentage of club members that is involved in setting up commercial activities compared to the total number of club members (skewness value: 1.123, skewness z-score: 5.73 > +/- 1.96; kurtosis value: 0.537, kurtosis z-score: 1.38 < +/- 1.96). Based on these values and the graphical representation of the data the conclusion can be drawn that these are not normally distributed.

Regarding the approximate percentages of club members with a commercial background/profession compared to the total number of club members (in service clubs that do make use of commercial activity), the mean is 4.55 and the median 4.0. In general, the approximate average percentage of club members with a commercial background/profession compared to the total number of club members (among local service clubs that make use of commercial activities) is around 40% (4.0 = 30-40%, 5.0= 40-50%). In the figure below, one can find the distributions of the data regarding the percentages of service club members with commercial background divided by the use of commercial activity among service clubs. Regarding the distribution of the percentages of service club members with commercial background in service clubs that do not make use of commercial activity (skewness value: 0.491, skewness z-score: 1.70 < +/- 1.96; kurtosis value: -0.672, kurtosis z-score: -1.18 < +/-

1.96), the conclusion can be drawn that these data are reasonably normally distributed. The data regarding the percentage of service club members with commercial background in service clubs that do make use of commercial activity (skewness value: 0.259, skewness z-score: $1.33 < +/- 1.96$; kurtosis value: -0.835, kurtosis z-score: $2.15 > +/- 1.96$), are not normally distributed given the significant kurtosis z-score.

Figure 18: (normal) distribution regarding the percentage of service club members with commercial background divided by the use of commercial activity among service clubs.

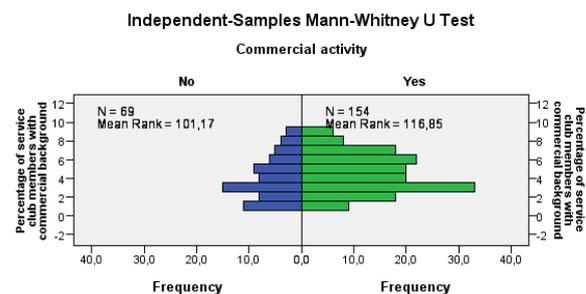


As a consequence, the parametric independent t-test cannot be applied in order to know whether there is a significant mean difference regarding the percentage of service club members with commercial background between the two groups of respondents who answered the question positively or negatively regarding the use of commercial activity (with vs. without commercial activity). The Mann-Whitney test is the non-parametric equivalent of the independent t-test (Field, 2013, p. 219). In the figure below, the results of the Mann-Whitney test can be read.

Figure 19: Mann-Whitney test regarding the percentage of service club members with commercial background (with and without commercial activity)

Hypothesis Test Summary			
Null Hypothesis	Test	Sig.	Decision
1 The distribution of Percentage of service club members with commercial background is the same across categories of Commercial activity.	Independent-Samples Mann-Whitney U Test	.090	Retain the null hypothesis.

Asymptotic significances are displayed. The significance level is .05.



The p-value = .090 and is higher than the critical value of .05. So, the null hypothesis (there is no difference in the distribution of commercial backgrounds in service clubs with or without commercial activity) should be accepted. This means

Total N	223
Mann-Whitney U	6.060,000
Wilcoxon W	17.995,000
Test Statistic	6.060,000
Standard Error	440.950
Standardized Test Statistic	1.694
Asymptotic Sig. (2-sided test)	.090

that service clubs that do make use of commercial activities (mean rank = 116.85, median = 4.0 = 30-40%) did not differ significantly in having more members with a commercial background than service clubs that do not make use of commercial activities (mean rank = 101.17, median = 4.0 = 30-40%), with: $U = 6.060$, $z = 1.694$, $p = .090$, $r = .11$.

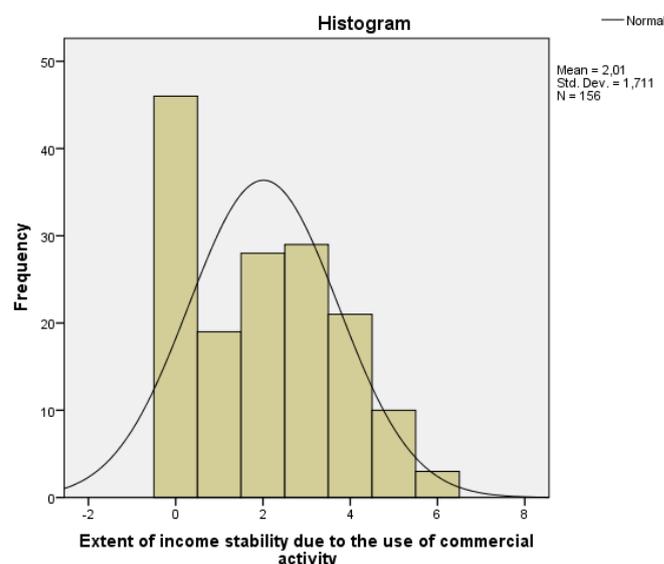
5.1.4 Reduced revenue volatility

156 respondents answered the question regarding the extent to which commercial activities, as a tool to raise funds, are used in order to provide income stability within a service club (frequencies; no extent: 46, very small extent: 19, small extent: 28, reasonable extent: 29, large extent: 21, very large extent: 10, full extent: 3). Below, one can find the descriptive statistics regarding this question.

Statistics		
Extent of income stability due to the use of commercial activity		
N	Valid	156
	Missing	0
Mean		2,01
Std. Error of Mean		,137
Median		2,00
Std. Deviation		1,711

Regarding the extent to which commercial activities are used in order to provide income stability within a service club, the mean is 2.01 and the median 2.0. In general, the average extent to which commercial activities, as a tool to raise funds, are used in order to provide income stability within a service club can be considered as small (2.0 = small extent). In the figure below, the distribution of the extent to which commercial activities, as a tool to raise funds, are used in order to provide income stability within a service club is shown (skewness value: 0.332, skewness z-score: $1.71 < +/- 1.96$; kurtosis value: -0.960, kurtosis z-score: $-2.49 > +/- 1.96$).

Figure 20: (normal) distribution regarding the extent to which commercial activities, as a tool to raise funds, are used in order to provide income stability within a service club.



Based on these values and the graphical representation of the data, the conclusion can be drawn that the data regarding the extent to which commercial activities are used in order to provide income stability within a service club are not normally distributed.

132 out of the 156 respondents answered the question regarding the effect of income from commercial activity on the control over income deployment. 76 respondents (57.6%) answered that income from commercial activities ensures that their service club has more control over income deployment than when no income from commercial activities was earned; 56 respondents (42.4%) answered that income from commercial activities does not ensure more control over income deployment than when no income from commercial activities was earned. Clearly, the opinions are divided. Still, a majority of respondents indicates that more control over income deployment is obtained due to the use of commercial activity.

Since the extent of commercial activity is reasonably normally distributed, an independent t-test can be performed in order to know whether there is a significant mean difference regarding the extent of commercial activity between the two groups of respondents who answered (yes/no) the question regarding the effect of income from commercial activity on the control over income deployment.

Group Statistics

	More control over income deployment due to the use of commercial activity	N	Mean	Std. Deviation	Std. Error Mean
Extent of commercial activity	No	76	2,87	,971	,111
	Yes	56	3,29	1,091	,146

The Levene's test is non-significant ($p = .468 > .05$), so the test statistics in the row '*Equal variances assumed*' should be read (Field, 2013, p. 374).

On average, respondents, who answered that income from commercial activities ensures that their service club has more control over income deployment, do have a higher level of commercial activity ($M = 3.29$, $SE = 0.15$), than respondents who answered that income from commercial activities does not ensure more control over income deployment ($M = 2.87$, $SE = 0.11$). This mean difference, -0.417 , BCa 95% CI $[-0.774, -0.061]$, is significant $t(130) = -2.316$, $p = .022 < \alpha = .05$. The effect size of this difference is measured by Cohen's d (Field, 2013, p. 79) and is 0.43, which can be considered as a medium-sized effect.

5.1.5 Increased competition for private contributions, donations and (government) subsidies

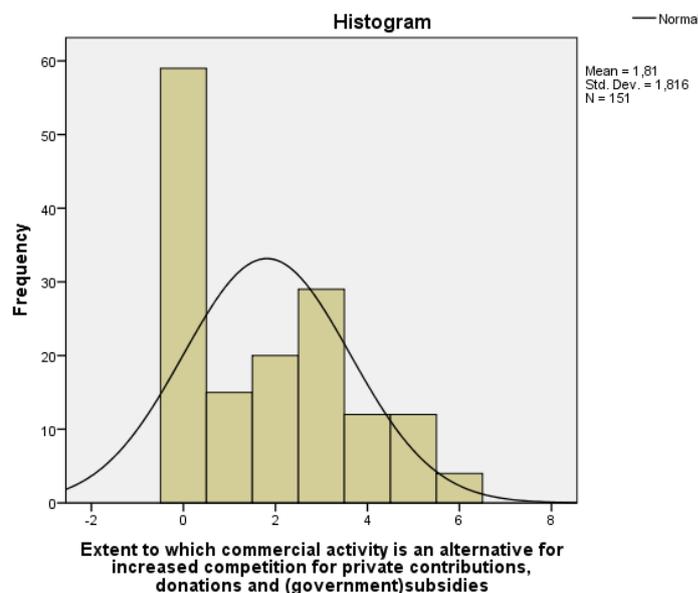
151 respondents answered the question regarding the extent to which commercial activities are used because they are an alternative to increased competition for private contributions, donations and (government) subsidies (frequencies; no extent: 59, very small extent: 15, small extent: 20, reasonable extent: 29, large extent: 12, very large extent: 12, full extent: 4). 155 respondents answered the extent to which service clubs, in order to raise funds, are dependent on private contributions, donations and (government) subsidies (frequencies; no extent: 40, very small extent: 35, small extent: 26, reasonable extent: 27, large extent: 12, very large extent: 11, full extent: 4). 151 respondents answered the question regarding the approximate percentage of income from private contributions, donations and (government) subsidies compared to the total revenue (frequencies; 0-

10%: 46, 10-20%: 22, 20-30%: 21, 30-40%: 11, 40-50%: 9, 50-60%: 7, 60-70%: 9, 70-80%: 11, 80-90%: 10, 90-100%: 5). Below, one can find the descriptive statistics regarding these three questions.

Statistics				
		Extent to which commercial activity is an alternative for increased competition for private contributions, donations and (government)subsidies	Extent of dependency on private contributions, donations and (government)subsidies	Percentage of income from private contributions, donations and (government)subsidies
N	Valid	151	155	151
	Missing	5	1	5
Mean		1,81	1,90	3,81
Std. Error of Mean		,148	,134	,234
Median		2,00	2,00	3,00
Std. Deviation		1,816	1,674	2,877

Regarding the extent to which commercial activities are used because they are an alternative to increased competition for private contributions, donations and (government) subsidies, the mean is 1.81 and the median 2.0. In general, the average extent to which commercial activities are used because they are an alternative to increased competition for private contributions, donations and (government) subsidies can be considered as small (2.0 = small extent). In the figure below, the distribution of the extent to which commercial activities are used because they are an alternative to increased competition for private contributions, donations and (government) subsidies is shown (skewness value: 0.557, skewness z-score: 2.83 > +/- 1.96; kurtosis value: -0.867, kurtosis z-score: -2.21 > +/- 1.96).

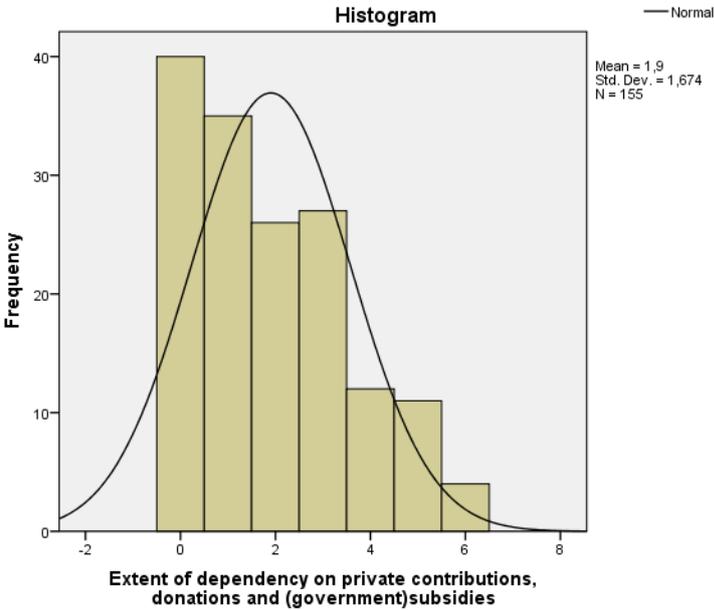
Figure 21: (normal) distribution regarding extent to which commercial activities are used because they are an alternative to increased competition for private contributions, donations and (government) subsidies.



Based on these values and the graphical representation of the data, the conclusion can be drawn that the data regarding the extent to which commercial activities are used because they are an alternative to increased competition for private contributions, donations and (government) subsidies are not normally distributed.

Regarding the extent to which service clubs, in order to raise funds, are dependent on private contributions, donations and (government) subsidies, the mean is 1.90 and the median 2.0. In general, the average extent to which service clubs (in order to raise funds) are dependent on private contributions, donations and (government) subsidies can be considered as small (2.0 = small extent). In the figure below, the distribution of the extent to which service clubs are dependent on private contributions, donations and (government) subsidies is shown (skewness value: 0.626, skewness z-score: 3.21 > +/- 1.96; kurtosis value: -0.517, kurtosis z-score: -1.34 < +/- 1.96).

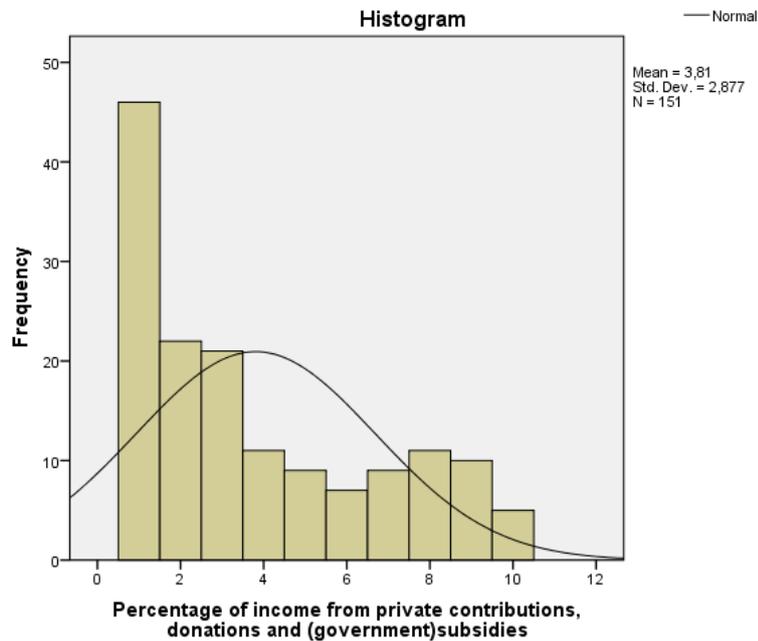
Figure 22: (normal) distribution regarding extent to which service clubs, in order to raise funds, are dependent on private contributions, donations and (government) subsidies.



Based on these values and the graphical representation of the data, the conclusion can be drawn that the data regarding the extent to which service clubs are dependent on private contributions, donations and (government) subsidies are not normally distributed.

Regarding the approximate percentage of income from private contributions, donations and (government) subsidies compared to the total revenue, the mean is 3.81 and the median 3.0. In general, the approximate average percentage of income from private contributions, donations and (government) subsidies compared to the total revenue (among local service clubs that make use of commercial activities) is around 30% (3.0 = 20-30%, 4.0= 30-40%). In the figure below, the distribution of the approximate percentage of income from private contributions, donations and (government) subsidies is shown (skewness value: 0.743, skewness z-score: 3.77 > +/- 1.96; kurtosis value: -0.809, kurtosis z-score: -2.06 > +/- 1.96).

Figure 23: (normal) distribution regarding the approximate percentage of income from private contributions, donations and (government) subsidies.



Based on these values and the graphical representation, the data presented in the figure above are not normally distributed. In order to compare the distributions between the approximate percentage of income from commercial activity and the approximate percentage of income from private contributions, donations and (government) subsidies among service clubs that do make use of commercial activity, an paired-samples t-test cannot be applied since it requires a normal distribution of the data sets; the Wilcoxon signed-rank test is the non-parametric alternative (Field, 2013, p. 228). In the figure below, the results of the Wilcoxon signed-rank test can be read.

Figure 24: Wilcoxon signed-rank test regarding the approximate percentage of income from commercial activity and the approximate percentage of income from private contributions, donations and (government) subsidies (among service clubs that do make use of commercial activity)

		Ranks		
		N	Mean Rank	Sum of Ranks
Percentage of income from commercial activities - Percentage of income from private contributions, donations and (government)subsidies	Negative Ranks	48 ^a	69,81	3351,00
	Positive Ranks	84 ^b	64,61	5427,00
	Ties	16 ^c		
	Total	148		

a. Percentage of income from commercial activities < Percentage of income from private contributions, donations and (government)subsidies

b. Percentage of income from commercial activities > Percentage of income from private contributions, donations and (government)subsidies

c. Percentage of income from commercial activities = Percentage of income from private contributions, donations and (government)subsidies

The p-value = .018 and is lower than the critical value of .05. So, the null hypothesis (there is no difference between the distribution of the percentage of income from commercial activities and the distribution of the percentage of income from private contributions, donations and (government) subsidies) should be rejected.

	Null Hypothesis	Test	Sig.	Decision
1	The median of differences between Percentage of income from commercial activities and Percentage of income from private contributions, donations and (government) subsidies equals 0.	Related-Samples Wilcoxon Signed Rank Test	.018	Reject the null hypothesis.

Asymptotic significances are displayed. The significance level is .05.

This means that service clubs that do make use of commercial activities do have significantly higher percentages of income from commercial activities (median = 4.74) than percentages of income from private contributions, donations and (government) subsidies (median = 3.81), with: $z = -2.362$ (based on negative ranks), $p = .018$, $r = -.19$.

5.1.7 Other reasons for the use of commercial activity

Respondents were asked whether their service club has (an) other reason(s) for the use of commercial activity. Some common answers: fundraising for projects (not for the club itself), optimal utilisation of networks, enhances cooperation/involvement among members, enhances fellowship within the club and the generation of name recognition. Some specific answers are:

‘Delivering a return for a payment makes it, especially in the context of a specific project, easier to raise money from the widest possible target audience’.

‘In order to realise bigger projects, commercial activities are necessary’.

‘Subsidies are so 1999 ;-)’.

‘Withdrawing of government and supporting civil society’.

‘Realising ongoing projects’

It may be clear that service clubs do not make use of commercial activities for their own interest; instead, they make use of commercial activities in order to raise funds for their projects. In chapter 8 (i.e. discussion of the results), I will pay some attention to the separate accounting within service clubs (club vs. foundation). Moreover, the pursuit of fellowship, cooperation and involvement (taken together as the pursuit of social capital) can be considered as an important reason for the use of commercial activity.

5.2 Correlations

In the previous section, some descriptive statistics are given, data distributions examined and differences between data tested (parametric and non-parametric). In this section, the correlation coefficients between variables are given; it expresses the relationship between variables (Field, 2013, p. 267). The Pearson’s correlation coefficient, r , is useful for this purpose (Field, 2013, p. 267). This

parametric test requires interval data and normality in the case of small samples (Field, 2013, p. 281). The correlation coefficient lies between -1 and +1; -1 indicates a perfect negative relationship, 0 indicates no relationship at all and +1 indicates a perfect positive relationship; +/- .1 represents a small effect; +/- .3 represents a medium effect and +/- .5 represents a large effect (Field, 2013, p. 270). The correlation coefficient squared, R^2 , measures the amount of variability in one variable that is shared by the other (Field, 2013, p. 276). Moreover, it is important that confidence intervals (BCa 95%) do not cross zero, because it also means that the population value could be negative or positive; then, we are not sure if the true relationship goes in one direction or the complete opposite (Field, 2013, p. 275-276). Finally, it noteworthy that correlation coefficients do not give indication of the direction of causality (Field, 2013, p. 270). There always may be other measured and unmeasured variables affecting the results, which is called the third-variable problem. Moreover, the correlation coefficient does not indicate in which direction causality operates.

In appendix VII one can find two correlation matrices regarding all variables; one parametric (Pearson's correlation coefficient) and one non-parametric (Spearman's rho). The data of some variables are normally distributed, while the data of other variables are not normally distributed. This is the reason why I show the parametric as well as the non-parametric correlation matrix. In the matrices, the red circled correlations coefficients, both Pearson and Spearman's rho, represent valid (!) significant relations; a significant correlation coefficient that is not circled in red means that this coefficient represents a test of which the data of one or both variables does not match the required distribution (i.e. normal in the case of Pearson and not-normal in the case of Spearman's rho).

5.2.1 The extent of commercial activity and the extent of commercial background

The extent of commercial activity and the extent to which service club members with commercial background set up commercial activities are both normally distributed (see figures 13 and 17). As one can see in appendix VII, there is a significant positive relation between the extent of commercial activity and the extent to which service club members with commercial background set up commercial activities, $r = .443$ (large effect), 95% BCa CI [.295, .573], $p < .001$. $R^2 = 0.1962 = 19.62\%$; the extent to which service club members with commercial background set up commercial activities shares 19.62% in the variability of the extent of commercial activity among local service clubs.

The extent of commercial activity and the percentage of service club members with commercial background are not both normally distributed (see figures 13 and 18). So, the nonparametric Spearman's rho is an adequate alternative (Field, 2013, p. 276-277). As one can see in appendix VII, there is a significant positive relation between the extent of commercial activity and the number of members (expressed in a percentage) with a commercial background within a local service club, $r_s = .202$ (small-medium effect), 95% BCa CI [.030, .369], $p = .013 < \alpha = .05$. $R^2 = 0.0408 = 4.08\%$; the percentage of service club members with a commercial background shares 4.08% in the variability of the extent of commercial activity among local service clubs.

5.2.2 The extent of commercial activity and the extent of reduced revenue volatility

The extent of commercial activity and the extent to which commercial activities, as a tool to raise funds, are used in order to provide income stability within a service club are not both normally distributed (see figures 13 and 20). As one can see in appendix VII, there is a significant positive

relation between the extent of commercial activity and the extent to which commercial activities are used in order to provide income stability within a service club, $r_s = .263$ (medium effect), 95% BCa CI [.104, .426], $p = .001 < \alpha = .05$. $R^2 = 0.0692 = 6.92\%$; the extent to which commercial activities are used in order to provide income stability within a service club shares 6.92% in the variability of the extent of commercial activity among local service clubs.

5.2.3 The extent of commercial activity and increased competition

The extent of commercial activity and the extent to which commercial activities are used because they are an alternative for increased competition for private contributions, donations and (government) subsidies are not both normally distributed (see figures 13 and 21). As one can see in appendix VII, there is no significant relation between the extent to which commercial activities are used because they are an alternative for increased competition for private contributions, donations and (government) subsidies, $r_s = .061$, 95% BCa CI [-.120, .231], $p = .456 > \alpha = .05$. Moreover, the confidence interval crosses zero; as a result, no meaningful conclusion can be drawn regarding the direction of the non-significant relation between the two variables.

5.2.4 The extent of commercial activity and the extent of entrepreneurial orientation

The extent of commercial activity and the extent of entrepreneurial orientation are both normally distributed (see figures 13 and 31). As one can see in appendix VII, there is no significant relation between the extent of commercial activity and the extent of entrepreneurial orientation among local service clubs, $r = .054$, 95% BCa CI [-.079, .171], $p = .503 > \alpha = .05$. Moreover, the confidence interval crosses zero; as a result, no meaningful conclusion can be drawn regarding the direction of the non-significant relation between the two variables.

5.2.5 Other significant relations

As one can see in appendix VII, other significant positive (!) relations are found between:

- The extent of commercial activity and the percentage of income from commercial activities, $r_s = .605$, 95% BCa CI [.477, .710], $p = < 0.001$. $R^2 = 0.3660 = 36.60\%$; the percentage of income from commercial activities shares 36.60% in the variability of the extent of commercial activity among local service clubs.
- The extent of commercial activity and the percentage of service club members setting up commercial activities, $r_s = .328$, 95% BCa CI [.170, .484], $p = < 0.001$. $R^2 = 0.1076 = 10.76\%$; the percentage of service club members setting up commercial activities shares 10.76% in the variability of the extent of commercial activity among local service clubs.
- The percentage of income from commercial activities and the extent to which service club members with commercial background set up commercial activities, $r_s = .301$, 95% BCa CI [.137, .463], $p = < 0.001$. $R^2 = 0.0906 = 9.06\%$; the extent to which service club members with commercial background set up commercial activities shares 9.06% in the variability of the percentage of income from commercial activities.
- The percentage of income from commercial activities and the percentage of service club members setting up commercial activities, $r_s = .316$, 95% BCa CI [.167, .459], $p = < 0.001$. $R^2 =$

- 0.0999 = 9.99%; the percentage of service club members setting up commercial activities shares 9.99% in the variability of the percentage of income from commercial activities.
- The percentage of income from commercial activities and the extent to which commercial activities are used in order to provide income stability within a service club, $r_s = .434$, 95% BCa CI [.284, .572], $p = < 0.001$. $R^2 = 0.1884 = 18.84\%$; the extent to which commercial activities are used in order to provide income stability within a service club shares 9.99% in the variability of the percentage of income from commercial activities.
 - The percentage of income from commercial activities and the extent to which commercial activities are used because they are an alternative to increased competition for private contributions, donations and (government) subsidies, $r_s = .215$, 95% BCa CI [.043, .371], $p = 0.009$. $R^2 = 0.0462 = 4.62\%$; the extent to which commercial activities are used because they are an alternative to increased competition for private contributions, donations and (government) subsidies shares 4.62% in the variability of the percentage of income from commercial activities.
 - Annual total revenue and the extent to which service club members with commercial background set up commercial activities, $r_s = .305$, 95% BCa CI [.130, .451], $p = < 0.001$. $R^2 = 0.0930 = 9.30\%$; the extent to which service club members with commercial background set up commercial activities shares 9.30% in the variability of the annual total revenue of local service clubs.
 - Annual total revenue and the extent of social entrepreneurial projects, $r_s = .301$, 95% BCa CI [.095, .476], $p = 0.005$. $R^2 = 0.0906 = 9.06\%$; the extent of social entrepreneurial projects shares 9.06% in the variability of the annual total revenue of local service clubs.
 - The extent to which service club members with commercial background set up commercial activities and the percentage of service club members setting up commercial activities, $r_s = .394$, 95% BCa CI [.248, .528], $p = < 0.001$. $R^2 = 0.1552 = 15.52\%$; the percentage of service club members setting up commercial activities shares 15.52% in the variability of the extent to which service club members with commercial background set up commercial activities.
 - The extent to which service club members with commercial background set up commercial activities and the percentage of service club members with commercial background, $r_s = .439$, 95% BCa CI [.290, .577], $p = < 0.001$. $R^2 = 0.1927 = 19.27\%$; the percentage of service club members with commercial background shares 19.27% in the variability of the extent to which service club members with commercial background set up commercial activities.
 - The extent to which service club members with commercial background set up commercial activities and the extent of compassion, $r = .186$, 95% BCa CI [.020, .328], $p = 0.022 < \alpha = .05$. $R^2 = 0.0346 = 3.46\%$; the extent of compassion shares 3.46% in the variability of the extent to which service club members with commercial background set up commercial activities.
 - The extent to which service club members with commercial background set up commercial activities and the extent of social entrepreneurial projects, $r = .243$, 95% BCa CI [.022, .483], $p = 0.023 < \alpha = .05$. $R^2 = 0.0590 = 5.90\%$; the extent of social entrepreneurial projects shares 5.90% in the variability of the extent to which service club members with commercial background set up commercial activities.

- The percentage of service club members setting up commercial activities and the percentage of service club members with commercial background, $r_s = .389$, 95% BCa CI [.240, .524], $p = < 0.001$. $R^2 = 0.1513 = 15.13\%$; the percentage of service club members with commercial background shares 15.13% in the variability of the percentage of service club members setting up commercial activities.
- The percentage of service club members setting up commercial activities and the extent of compassion, $r_s = .290$, 95% BCa CI [.122, .453], $p = < 0.001$. $R^2 = 0.0841 = 8.41\%$; the extent of compassion shares 8.41% in the variability of the percentage of service club members setting up commercial activities.
- The percentage of service club members with commercial background and the extent of compassion, $r_s = .180$, 95% BCa CI [.017, .331], $p = 0.027 < \alpha = .05$. $R^2 = 0.0324 = 3.24\%$; the extent of compassion shares 3.24% in the variability of the percentage of service club members with commercial background.
- The extent to which commercial activities are used in order to provide income stability within a service club and the extent to which commercial activities are used because they are an alternative to increased competition for private contributions, donations and (government) subsidies, $r_s = .364$, 95% BCa CI [.202, .508], $p = < 0.001$. $R^2 = 0.1325 = 13.25\%$; the extent to which commercial activities are used because they are an alternative to increased competition for private contributions, donations and (government) subsidies shares 3.13% in the variability of the extent to which commercial activities are used in order to provide income stability within a service club.
- The extent to which commercial activities are used in order to provide income stability within a service club and the extent of compassion, $r_s = .207$, 95% BCa CI [.037, .365], $p = 0.01 < \alpha = .05$. $R^2 = 0.0428 = 4.28\%$; the extent of compassion shares 4.28% in the variability of the extent to which commercial activities are used in order to provide income stability within a service club.
- The extent to which service clubs are dependent on private contributions, donations and (government) subsidies and the percentage of income from private contributions, donations and (government) subsidies, $r_s = .501$, 95% BCa CI [.351, .640], $p = < 0.001$. $R^2 = 0.2510 = 25.10\%$; the percentage of income from private contributions, donations and (government) subsidies shares 25.10% in the variability of the extent to which service clubs are dependent on private contributions, donations and (government) subsidies.

As one can see in appendix VII, other significant negative (!) relations are found between:

- The percentage of income from commercial activities and the extent to which service clubs are dependent on private contributions, donations and (government) subsidies, $r_s = -.233$, 95% BCa CI [-.393, -.066], $p = 0.004$. $R^2 = 0.0543 = 5.43\%$; the extent to which service clubs are dependent on private contributions, donations and (government) subsidies shares 5.43% in the variability of the percentage of income from commercial activities.
- The percentage of income from commercial activities and the percentage of income from private contributions, donations and (government) subsidies, $r_s = -.249$, 95% BCa CI [-.433, -.080], $p = 0.002$. $R^2 = 0.0620 = 6.20\%$; and the percentage of income from private

contributions, donations and (government) subsidies shares 6.20% in the variability of the percentage of income from commercial activities.

- The extent to which commercial activities are used in order to provide income stability within a service club and the percentage of income from private contributions, donations and (government) subsidies, $r_s = -.225$, 95% BCa CI [-.373, -.058], $p = 0.005$. $R^2 = 0.0506 = 5.06\%$; the percentage of income from private contributions, donations and (government) subsidies shares 3.13% in the variability of the extent to which commercial activities are used in order to provide income stability within a service club.

5.3 Multiple regression analysis

According to Field (2013, p. 298), a regression analysis means that a linear model is fitted to the data in order to predict values of an outcome variable (i.e. the dependent variable) from one or more predictor variables (i.e. the independent variables). In this study, several predictors are included into the model, so a multiple regression analysis will be performed. In this section and based on the theoretical model of this study (see figure 11), it will be examined if, and if so to what extent, commercial activity can be explained by the commercial background of service club members, reduced revenue volatility, increased competition for private contributions, donations and subsidies and entrepreneurial orientation. In order to assess how well the regression line fits the data, attention have to be paid to R^2 , the F-ratio and the b-value (Field, 2013, p. 320). As mentioned earlier, R^2 is the correlation coefficient squared and measures the amount of variability in one variable that is shared by the other. Regarding regression analysis, R^2 shows how much variance is explained by the model compared to how much variance there is to explain in the first place; it is the proportion of variance in the outcome variable that is shared by the predictor variables. The F-ratio shows how much variability the model can explain relative to how much it cannot explain; it is the ratio of how good the model is compared to how bad it is. Finally, the b-value shows the gradient of the regression line and the strength of the relationship between a predictor and the outcome variable. If it is significant (Sig. $< \alpha = .05$) then the predictor variable significantly predicts the outcome variable (Field, 2013, p. 320).

The use of the linear model means that some assumptions should be met in order to generalise the findings regarding the data (Field, 2013, p. 311). First of all, the outcome variable should be linearly related to the combined effect of the predictors (i.e. additivity and linearity). Secondly, the errors in the model should not be related to each other (i.e. independence errors). Thirdly, the residuals at each level of the predictors should have the same variance (i.e. homoscedasticity). Fourthly, the residuals in the model should be normally distributed variables with a mean of 0 (i.e. normally distributed errors). This means that predictors do not have to be normally distributed.

Two other important considerations are: the predictor variables should not be correlated with external variables; and, there should be no perfect multicollinearity (Field, 2013, p. 311-312). External variables are variables that influence the outcome variable, but are not included in the regression model; there should be no external variables that correlate with any of the variables included in the regression model (Field, 2013, p. 311). Moreover, there should be no perfect linear

relationship between two or more of the predictors. As a consequence, the predictor variables should not correlate too highly.

Finally, it is important to obtain enough data in order to obtain a reliable regression model (Field, 2013, p. 313). As a rule of thumb, one should have between 10-15 cases of data per predictor.

5.3.1 Regression model regarding the extent of commercial activity

Based on the theoretical model of this study (see figure 11), it will be examined if, and if so to what extent, commercial activity can be explained by:

- the commercial background of service club members – 1 (i.e. extent to which service club members with commercial background set up commercial activity);
- the commercial background of service club members – 2 (i.e. the percentage of service club members with commercial background);
- reduced revenue volatility (i.e. the extent of income stability due to the use of commercial activity);
- increased competition for private contributions, donations and subsidies (i.e. the extent to which commercial activities are used because they are an alternative for increased competition for private contributions, donations and government subsidies);
- entrepreneurial orientation (i.e. the extent of entrepreneurial orientation).

The following equation can be formulated:

$$\text{The extent of commercial activity}_i = b_0 + b_1\text{commercial background-1}_i + b_2\text{commercial background-2}_i + b_3\text{reduced revenue volatility}_i + b_4\text{increased competition}_i + b_5\text{entrepreneurial orientation}_i$$

In the figure below, the results of the regression analysis can be found.

Figure 25: regression model regarding the extent of commercial activity.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,507 ^a	,257	,231	,973	2,172

- a. Predictors: (Constant), Extent of entrepreneurial orientation, Extent to which commercial activity is an alternative for increased competition for private contributions, donations and (government)subsidies, Extent to which service club members with commercial background set up commercial activity, Extent of income stability due to the use of commercial activity, Percentage of service club members with commercial background
- b. Dependent Variable: Extent of commercial activity

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	46,601	5	9,320	9,848	,000 ^b
	Residual	134,392	142	,946		
	Total	180,993	147			

- a. Dependent Variable: Extent of commercial activity

b. Predictors: (Constant), Extent of entrepreneurial orientation, Extent to which commercial activity is an alternative for increased competition for private contributions, donations and (government) subsidies, Extent to which service club members with commercial background set up commercial activity, Extent of income stability due to the use of commercial activity, Percentage of service club members with commercial background

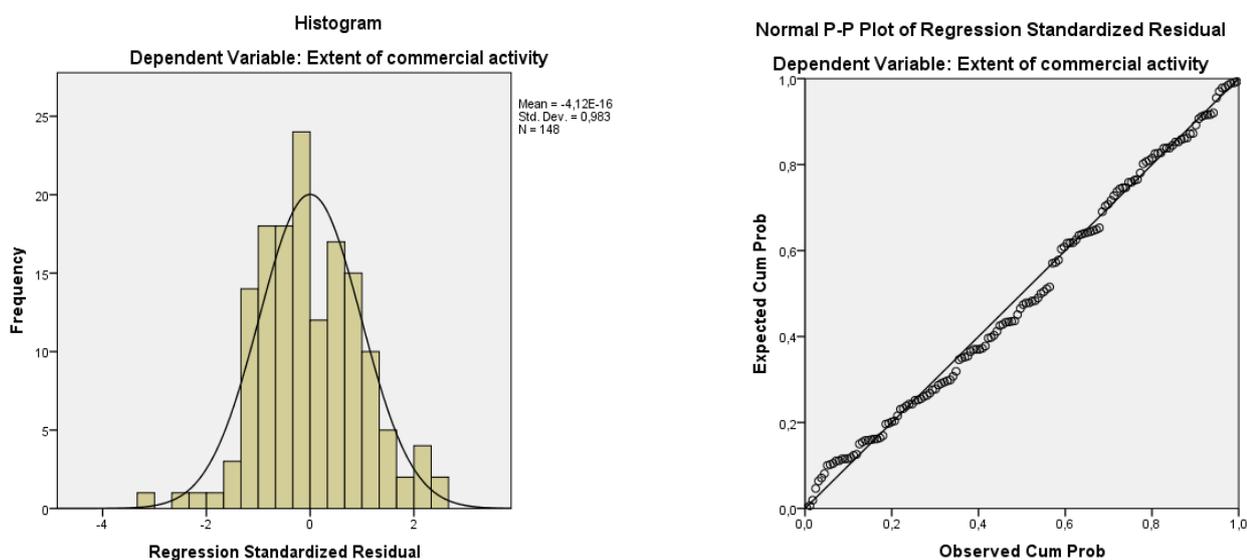
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95,0% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
(Constant)	1,635	,293		5,584	,000	1,056	2,214
1 the commercial background of service club members – 1	,317	,070	,368	4,497	,000	,177	,456
the commercial background of service club members – 2	,022	,042	,042	,522	,602	-,061	,105
reduced revenue volatility	,169	,051	,263	3,341	,001	,069	,270
increased competition for private contributions, donations and subsidies	,000	,048	-,001	-,007	,994	-,094	,094
entrepreneurial orientation	-,006	,073	-,006	-,076	,939	-,149	,138

a. Dependent Variable: Extent of commercial activity

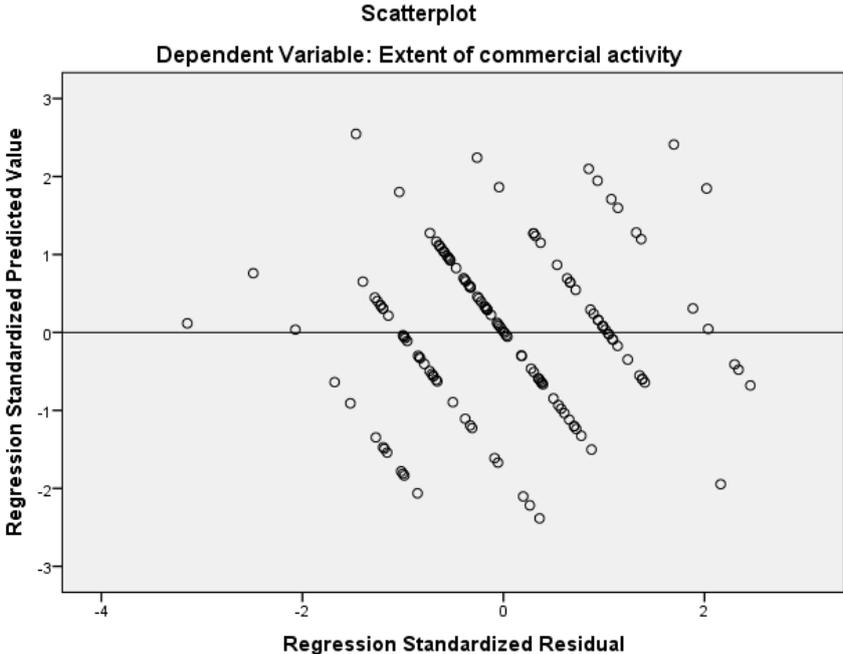
The Durbin-Watson statistic in the model summary can vary between 0 and 4; a value of 2 means that the residuals are uncorrelated and thus independent. Since this value is 2.172 and close to 2, the conclusion can be drawn that the errors are independent. Multicollinearity can be checked by which predictors correlate too highly ($r > .9$) with each other. There are no predictors that correlate so high. Moreover, the average of the VIF values (I exclude them from the coefficients table) of all predictors should not be substantially greater than 1. The VIF values are: 1.283, 1.257, 1.185, 1.150 and 1.018. The average is 1.1786 and is not substantially greater than 1. So, there is no cause for concern regarding multicollinearity. A histogram and a normal probability plot (i.e. P-P Plot) help to test the normality of residuals (see figure 26 below). The P-P Plot shows deviations from normality as deviations from the diagonal line. As one can see in the histogram, the residuals are reasonable normally distributed. Moreover, the P-P plot shows that the data points do not deviate substantially away from the diagonal.

Figure 26: histogram and normal P-P plot regarding standardised residuals



A scatterplot regarding standardised residuals against standardised predicted values is helpful in spotting heteroscedasticity and non-linearity. There should be no systematic relationship between the errors in the model and what the model predicts. According to Field (2013, p. 192), in a scatterplot the dots may not funnel out or show a curve; they should look like a random array of dots. As one can see in the scatterplot below, the dots do not funnel out or show a curve, so the assumptions of linearity and homoscedasticity have been met.

Figure 27: scatterplot regarding standardised residuals against standardised predicted values



Finally, it is examined whether there are external variables (i.e. variables that influence the outcome variable) that correlate with any of the variables included in the regression model. In section 5.2.5 one can read that there are two other variables that influence the outcome variable, the extent of commercial activity. Those variables are: the percentage of income from commercial activities ($r_s = .605$) and the percentage of service club members setting up commercial activities ($r_s = .328$). These variables may not correlate with the predictor variables included in the regression model. Unfortunately, they do.

- The percentage of income from commercial activities and the percentage of service club members setting up commercial activities both correlate with the extent to which service club members with commercial background set up commercial activity ($r_s = .301$ and $r_s = .394$ respectively).
- The percentage of service club members setting up commercial activities correlates with the percentage of service club members with commercial background ($r_s = .389$).
- The percentage of income from commercial activities correlates with the extent of income stability due to the use of commercial activity ($r_s = .434$).

- The percentage of income from commercial activities correlates with the extent to which commercial activity is an alternative for increased competition for private contributions, donations and (government) subsidies ($r_s = .215$).

As a consequence, the results of the model become to a certain extent unreliable, because other variables exist that can predict the outcome just as well (Field, 2013, p. 311). So, the results should be interpreted cautiously. A solution to this problem is to include the influential external variables in to the model; I will show the results of this modified model later on. First of all, the results regarding the theoretical model are interpreted.

5.3.2 Results

R^2 shows how much variance is explained by the model compared to how much variance there is to explain in the first place; it is the proportion of variance in the outcome variable that is shared by the predictor variables. $R^2 = .257$ and means that 25.7% of the variance in the extent of commercial activity is explained by the predictor variables. The F-ratio shows how much variability the model can explain relative to how much it cannot explain; it is the ratio of how good the model is compared to how bad it is. According to Field (2013, p. 337), the F-ratio is ‘...calculated by dividing the average improvement in prediction by the model (MS_M) by the average difference between the model and the observed data (MS_R)’; a ratio that is greater than 1 means that the improvement due to fitting the regression model is much greater than the inaccuracy within the model. The F-ratio regarding our model is 9.848, $p < .001$. This means that the model significantly improved our ability to predict the outcome variable compared to not fitting the model.

As mentioned earlier, the b-values tell us to what degree each predictor affects the outcome if the effects of all other predictors are held constant. In our model, there are only two predictors (of the five) that significantly ($\alpha = .05$) predict the outcome variable. Those variables are:

- the extent to which service club members with commercial background set up commercial activity ($b = .317$, $p < .001$);
- the extent of income stability due to the use of commercial activity ($b = .169$, $p = .001$).

The regression analysis results in the following equation:

The extent of commercial activity_i = 1.635 + (0.317 commercial background-1_i) + (0.022 commercial background-2_i) + (0.169 reduced revenue volatility_i)* + (0.000 increased competition_i) + (-0.006 entrepreneurial orientation_i).*

* = significant at .05 – level.

5.3.3 Adjusted regression model regarding the extent of commercial activity

Since there are external variables (i.e. variables that influence the outcome variable) that correlate with variables included in the regression model, the outcomes of the regression analysis in the previous section are to a certain extent unreliable. So, in order to cope with this problem, and to

show what would otherwise happen, the influential external variables are included into the model. So, the following adjusted equation can be formulated:

$$\text{The extent of commercial activity}_i = b_0 + b_1\text{commercial background-1}_i + b_2\text{commercial background-2}_i + b_3\text{reduced revenue volatility}_i + b_4\text{increased competition}_i + b_5\text{entrepreneurial orientation}_i + b_6\text{percentage of income from commercial activities}_i + b_7\text{percentage of service club members setting up commercial activities}_i$$

In the figure below, the results of the regression analysis can be found.

Figure 28: adjusted regression model regarding the extent of commercial activity.

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,670 ^a	,449	,420	,815	2,330

- a. Predictors: (Constant), Percentage of service club members setting up commercial activities, Extent to which commercial activity is an alternative for increased competition for private contributions, donations and (government)subsidies, Extent of entrepreneurial orientation, Percentage of income from commercial activities, Percentage of service club members with commercial background, Extent of income stability due to the use of commercial activity, Extent to which service club members with commercial background set up commercial activity
- b. Dependent Variable: Extent of commercial activity

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	73,565	7	10,509	15,809	,000 ^b
	Residual	90,407	136	,665		
	Total	163,972	143			

- a. Dependent Variable: Extent of commercial activity
- b. Predictors: (Constant), Percentage of service club members setting up commercial activities, Extent to which commercial activity is an alternative for increased competition for private contributions, donations and (government)subsidies, Extent of entrepreneurial orientation, Percentage of income from commercial activities, Percentage of service club members with commercial background, Extent of income stability due to the use of commercial activity, Extent to which service club members with commercial background set up commercial activity

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95,0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	1,112	,260		4,283	,000	,599	1,625
	the commercial background of service club members – 1	,200	,062	,241	3,212	,002	,077	,323
	the commercial background of service club members – 2	,037	,037	,074	,990	,324	-,037	,110
	reduced revenue volatility	,030	,047	,048	,648	,518	-,062	,122
	increased competition for private contributions, donations and subsidies	-6,552E-005	,041	,000	-,002	,999	-,082	,081
	entrepreneurial orientation	,054	,062	,057	,870	,386	-,069	,177

Percentage of income from commercial activities	,194	,029	,510	6,816	,000	,138	,251
Percentage of service club members setting up commercial activities	,005	,034	,010	,135	,893	-,062	,072

a. Dependent Variable: Extent of commercial activity

In order to demonstrate what would happen if the influential external variables are included in the regression model, it is sufficient to mention that the assumptions regarding additivity and linearity, independence errors, homoscedasticity, and normally distributed errors are met.

$R^2 = .449$ and means that 44.9% of the variance in the extent of commercial activity is explained by the predictor variables. The F-ratio regarding our model is 15.809, $p < .001$. This means that the model significantly improved our ability to predict the outcome variable compared to not fitting the model. In this adjusted model, there are again two predictors (of the seven) that significantly ($\alpha = .05$) predict the outcome variable. Those variables are:

- the extent to which service club members with commercial background set up commercial activity ($b = .200$, $p = .002$);
- the percentage of income from commercial activities ($b = .194$, $p < .001$).

The extent to which service club members with commercial background set up commercial activity remains a significant predictor of the outcome variable. The extent of income stability due to the use of commercial activity is not a significant predictor variable anymore. Instead, the percentage of income from commercial activities is a significant predictor variable. This has implications for the conclusions.

The regression analysis regarding the adjusted model results in the following equation:

The extent of commercial activity_i = 1.112 + (0.200 commercial background-1_i)^{} + (0.037 commercial background-2_i) + (0.030 reduced revenue volatility_i) + (0.000 increased competition_i) + (0.054 entrepreneurial orientation_i) + (0.194 percentage of income from commercial activities_i)^{*} + (0.005 percentage of service club members setting up commercial activities_i)*

* = significant at .05 – level.

5.4 Additional multiple regression analyses

Based on some significant correlations between variables in the correlation matrices (appendix VII), it is interesting to examine two additional models which are not derived from the theoretical framework. First of all, a model that could explain the annual total revenue of service clubs. Secondly, a model that could explain the percentage of income from commercial activities. Predictor variables are those variables that significantly correlate (positively/negatively) with the dependent variable. As a consequence, it is not necessary to examine whether there are influential external variables which are not included in the model, because these variables are included in the model.

In the case of annual total revenue, these variables are:

- the commercial background of service club members – 1 (i.e. the extent to which service club members with commercial background set up commercial activity);
- social entrepreneurial projects (i.e. the extent of social entrepreneurial projects).

In the case of the percentage of income from commercial activities, these variables are:

- the commercial background of service club members – 1 (i.e. the extent to which service club members with commercial background set up commercial activity);
- percentage of service club members setting up commercial activities;
- reduced revenue volatility (i.e. the extent of income stability due to the use of commercial activity);
- increased competition for private contributions, donations and subsidies (i.e. the extent to which commercial activities are used because they are an alternative for increased competition for private contributions, donations and government subsidies);
- extent of dependency on private contributions, donations and (government)subsidies;
- percentage of income from private contributions, donations and (government)subsidies;
- social entrepreneurial projects (i.e. the extent of social entrepreneurial projects).

So, the following equations can be formulated:

$$\text{Annual total revenue}_i = b_0 + b_1\text{commercial background-1}_i + b_2\text{social entrepreneurial projects}_i$$

$$\text{Percentage of income from commercial activities}_i = b_0 + b_1\text{commercial background-1}_i + b_2\text{percentage of service club members setting up commercial activities}_i + b_3\text{reduced revenue volatility}_i + b_4\text{increased competition}_i + b_5\text{extent of dependency on private contributions, donations and (government) subsidies}_i + b_6\text{percentage of income private contributions, donations and (government)subsidies}_i + b_7\text{social entrepreneurial projects}_i$$

5.4.1 Model: annual total revenue

In the figure below, the results of the regression analysis regarding the first model (annual total revenue) can be found.

Figure 29: regression model regarding the annual total revenue of service clubs.

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,366 ^a	,134	,113	17.207,85475	1,730

a. Predictors: (Constant), Extent of social entrepreneurial projects, Extent to which service club members with commercial background set up commercial activity

b. Dependent Variable: Annual total revenue

ANOVA ^a					
Model	Sum of Squares	df	Mean Square	F	Sig.

1	Regression	3719520921,558	2	1859760460,779	6,281	,003 ^b
	Residual	23984931459,394	81	296110264,931		
	Total	27704452380,952	83			

a. Dependent Variable: Annual total revenue

b. Predictors: (Constant), Extent of social entrepreneurial projects, Extent to which service club members with commercial background set up commercial activity

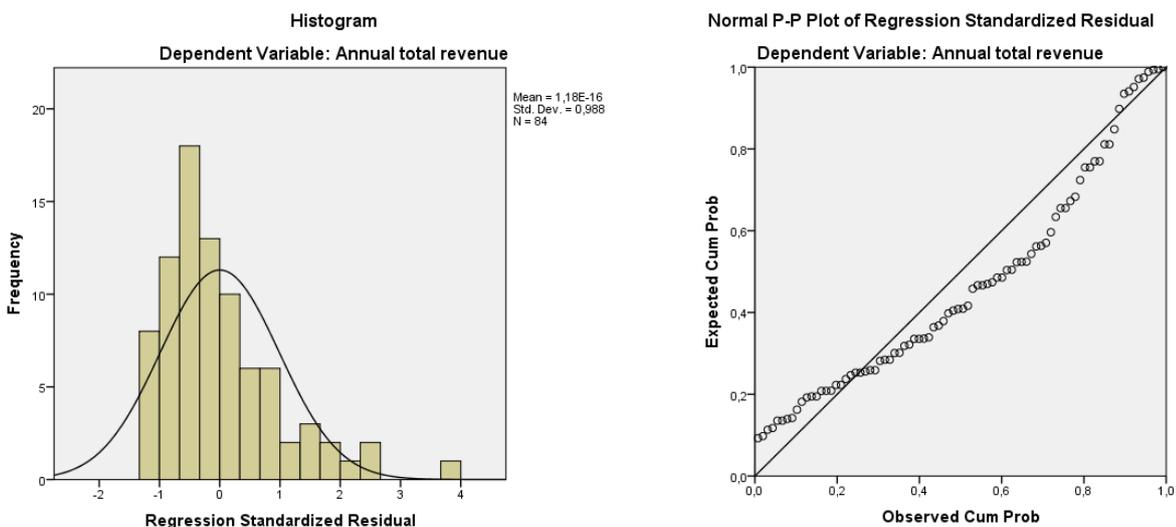
Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95,0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	623,206	6483,340		,096	,924	-12276,607	13523,020
	the commercial background of service club members – 1	1677,564	1600,223	,112	1,048	,298	-1506,377	4861,504
	social entrepreneurial projects	5824,000	1922,514	,323	3,029	,003	1998,799	9649,200

a. Dependent Variable: Annual total revenue

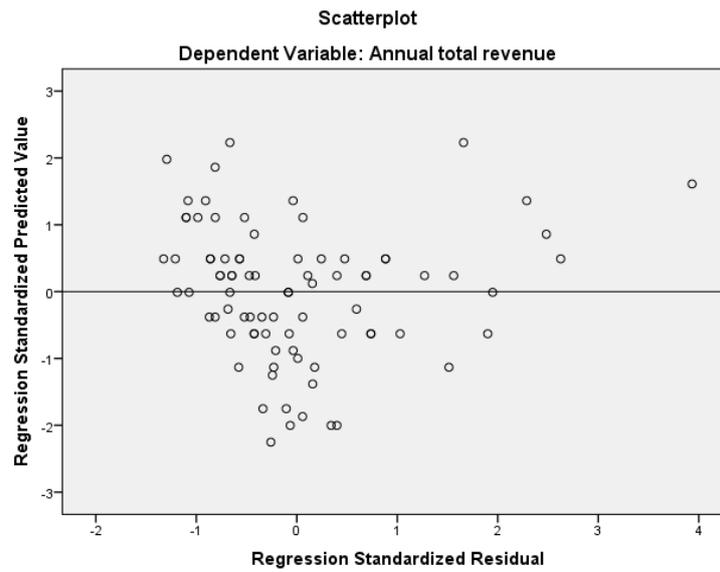
The Durbin-Watson statistic in the model summary can vary between 0 and 4; a value of 2 means that the residuals are uncorrelated and thus independent. Since this value is 1.730 and close to 2, the conclusion can be drawn that the errors are independent. Multicollinearity can be checked by which predictors correlate too highly ($r > .9$) with each other. There are no predictors that correlate so high. Moreover, the average of the VIF values (I exclude them from the coefficients table) of all predictors should not be substantially greater than 1. The VIF values are: 1.063 and 1.063 and are not substantially greater than 1. So, there is no cause for concern regarding multicollinearity. A histogram and a normal probability plot (i.e. P-P Plot) help to test the normality of residuals (see figure 30 below). The P-P Plot shows deviations from normality as deviations from the diagonal line. As one can see in the histogram, the residuals are not normal distributed. Moreover, the P-P plot shows that the data points do deviate substantially away from the diagonal.

Figure 30: histogram and normal P-P plot regarding standardised residuals



A scatterplot regarding standardised residuals against standardised predicted values is helpful in spotting heteroscedasticity and non-linearity. There should be no systematic relationship between the errors in the model and what the model predicts. According to Field (2013, p. 192), in a scatterplot the dots may not funnel out or show a curve; they should look like a random array of dots. As one can see in the scatterplot below, the dots do not funnel out or show a curve, so the assumptions of linearity and homoscedasticity have been met.

Figure 31: scatterplot regarding standardised residuals against standardised predicted values



So, the assumption of normality of residuals is violated in the model above. Rerunning the regression with bootstrapping is a solution to this problem. According to Field (2013, p. 351-352), ‘the bootstrapping process involves re-estimating the standard errors (...). The main benefit of the bootstrap confidence intervals and significance values is that they do not rely on assumptions of normality or homoscedasticity, so they give us an accurate estimate of the true population value of b for each predictor.’

In the figure below, one can find bootstrap confidence intervals for each predictor and their significance value.

Figure 32: bootstrapped regression model regarding the annual total revenue of service clubs.

Bootstrap for Coefficients						
Model	B	Bootstrap ^a				
		Bias	Std. Error	Sig. (2-tailed)	95% Confidence Interval	
					Lower	Upper
1 (Constant)	623,206	45,431	6479,090	,910	-13073,221	12630,472
the commercial background of service club members – 1	1677,564	-47,626	1531,929	,262	-1151,536	4722,285
social entrepreneurial projects	5824,000	21,606	1917,202	,003	2341,530	10014,034

a. Unless otherwise noted, bootstrap results are based on 1000 bootstrap samples

5.4.2 Results

R^2 shows how much variance is explained by the model compared to how much variance there is to explain in the first place; it is the proportion of variance in the outcome variable that is shared by the predictor variables. $R^2 = .134$ and means that 13.4% of the variance in the annual total revenue of service clubs is explained by the predictor variables. The F-ratio shows how much variability the model can explain relative to how much it cannot explain; it is the ratio of how good the model is compared to how bad it is. According to Field (2013, p. 337), the F-ratio is ‘...calculated by dividing the average improvement in prediction by the model (MS_M) by the average difference between the model and the observed data (MS_R)’; a ratio that is greater than 1 means that the improvement due to fitting the regression model is much greater than the inaccuracy within the model. The F-ratio regarding our model is 6.281, $p = .003$. This means that the model significantly improved our ability to predict the outcome variable compared to not fitting the model.

As mentioned earlier, the b-values tell us to what degree each predictor affects the outcome if the effects of all other predictors are held constant. In our model (see the table of bootstrap confidence intervals for each predictor), there is one predictor (of the two) that significantly ($\alpha = .05$) predicts the outcome variable. That variable is:

- the extent of social entrepreneurial projects ($b = 5824.00$, $p = .003$);

The regression analysis results in the following equation:

$$\text{Annual total revenue}_i = 623.206 + (1677.564 \text{ commercial background-1}_i) + (5824.00 \text{ social entrepreneurial projects}_i)^*$$

* = significant at .05 – level.

5.4.3 Model: percentage of income from commercial activities.

In the figure below, the results of the regression analysis regarding the second model (percentage of income from commercial activities) can be found.

Figure 33: regression model regarding the percentage of income from commercial activities.

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,576 ^a	,331	,287	2,339	2,103

- a. Predictors: (Constant), Extent of social entrepreneurial projects, Percentage of income from private contributions, donations and (government)subsidies, Percentage of service club members setting up commercial activities, Extent to which commercial activity is an alternative for increased competition for private contributions, donations and (government)subsidies, Extent of dependency on private contributions, donations and (government)subsidies, Extent of income stability due to the use of commercial activity, Extent to which service club members with commercial background set up commercial activity
- b. Dependent Variable: Percentage of income from commercial activities

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	287,295	7	41,042	7,500	,000 ^b
	Residual	580,038	106	5,472		
	Total	867,333	113			

a. Dependent Variable: Percentage of income from commercial activities

b. Predictors: (Constant), Extent of social entrepreneurial projects, Percentage of income from private contributions, donations and (government)subsidies, Percentage of service club members setting up commercial activities, Extent to which commercial activity is an alternative for increased competition for private contributions, donations and (government)subsidies, Extent of dependency on private contributions, donations and (government)subsidies, Extent of income stability due to the use of commercial activity, Extent to which service club members with commercial background set up commercial activity

Coefficients^a

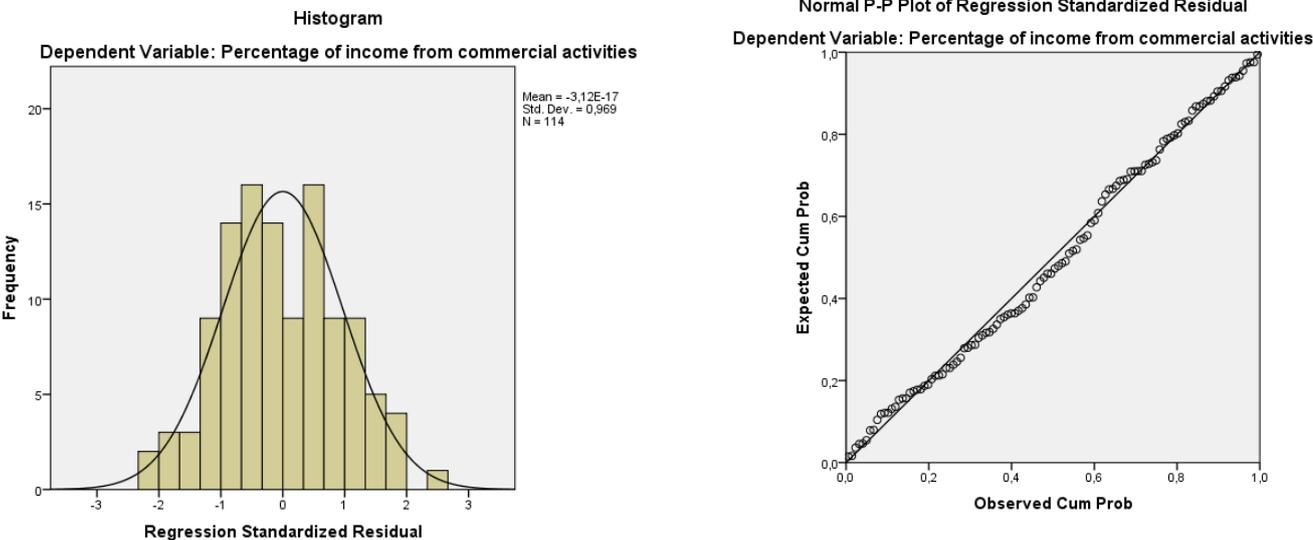
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95,0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	3,256	,765		4,258	,000	1,740	4,773
	the commercial background of service club members – 1	,329	,194	,160	1,691	,094	-,057	,714
	percentage of service club members setting up commercial activities	,109	,103	,093	1,056	,293	-,096	,314
	reduced revenue volatility	,393	,152	,242	2,589	,011	,092	,694
	increased competition for private contributions, donations and subsidies	,152	,136	,100	1,118	,266	-,118	,421
	extent of dependency on private contributions, donations and (government)subsidies	-,196	,151	-,120	-1,294	,198	-,495	,104
	percentage of income from private contributions, donations and (government)subsidies	-,194	,087	-,212	-2,247	,027	-,366	-,023
	social entrepreneurial projects	,086	,159	,045	,543	,589	-,229	,401

a. Dependent Variable: Percentage of income from commercial activities

The Durbin-Watson statistic in the model summary can vary between 0 and 4; a value of 2 means that the residuals are uncorrelated and thus independent. Since this value is 2.103 and close to 2, the conclusion can be drawn that the errors are independent. Multicollinearity can be checked by which predictors correlate too highly ($r > .9$) with each other. There are no predictors that correlate so high. Moreover, the average of the VIF values (I exclude them from the coefficients table) of all predictors should not be substantially greater than 1. The VIF values are: 1.411, 1.240, 1.384, 1.261, 1.365, 1.404 and 1.109. The average is 1.3106 and is not substantially greater than 1. So, there is no cause for concern regarding multicollinearity. A histogram and a normal probability plot (i.e. P-P Plot) help to test the normality of residuals (see figure 34 below). The P-P Plot shows deviations from normality as deviations from the diagonal line. As one can see in the histogram, the residuals are reasonable

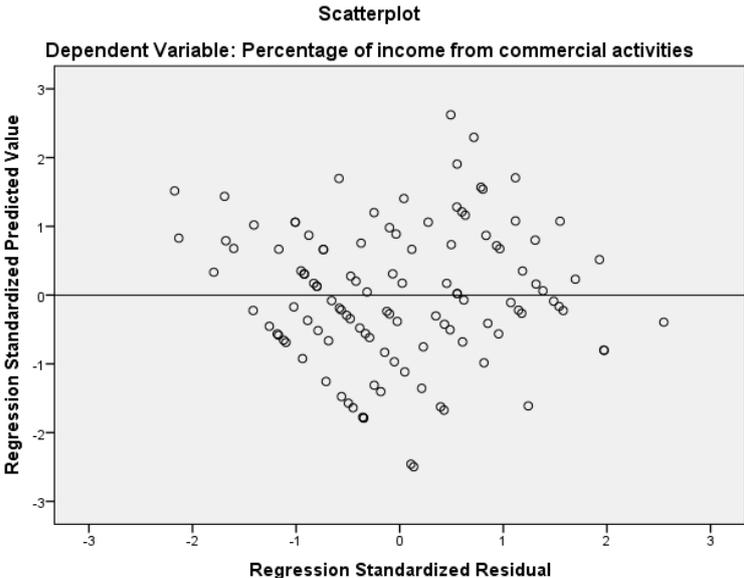
normally distributed. Moreover, the P-P plot shows that the data points do not deviate substantially away from the diagonal.

Figure 34: histogram and normal P-P plot regarding standardised residuals



A scatterplot regarding standardised residuals against standardised predicted values is helpful in spotting heteroscedasticity and non-linearity. There should be no systematic relationship between the errors in the model and what the model predicts. According to Field (2013, p. 192), in a scatterplot the dots may not funnel out or show a curve; they should look like a random array of dots. As one can see in the scatterplot below, the dots do not funnel out or show a curve, so the assumptions of linearity and homoscedasticity have been met.

Figure 35: scatterplot regarding standardised residuals against standardised predicted values



5.4.4 Results

R^2 shows how much variance is explained by the model compared to how much variance there is to explain in the first place; it is the proportion of variance in the outcome variable that is shared by the predictor variables. $R^2 = .331$ and means that 33.1% of the variance in the percentage of income from commercial activities is explained by the predictor variables. The F-ratio shows how much variability the model can explain relative to how much it cannot explain; it is the ratio of how good the model is compared to how bad it is. According to Field (2013, p. 337), the F-ratio is ‘...calculated by dividing the average improvement in prediction by the model (MS_M) by the average difference between the model and the observed data (MS_R)’; a ratio that is greater than 1 means that the improvement due to fitting the regression model is much greater than the inaccuracy within the model. The F-ratio regarding our model is 7.500, $p < .001$. This means that the model significantly improved our ability to predict the outcome variable compared to not fitting the model.

As mentioned earlier, the b-values tell us to what degree each predictor affects the outcome if the effects of all other predictors are held constant. In our model, there are two predictor (of the seven) that significantly ($\alpha = .05$) predicts the outcome variable. These variables are:

- the extent of income stability due to the use of commercial activity ($b = .393$, $p = .011$);
- the percentage of income from private contributions, donations and (government)subsidies ($b = -.194$, $p = .027$).

The regression analysis results in the following equation:

Percentage of income from commercial activities_i = 3.256 + (0.329 commercial background-1_i) + (0.109 percentage of service club members setting up commercial activities_i) + (0.393 reduced revenue volatility_i) + (0.152 increased competition_i) + (-0.196 extent of dependency on private contributions, donations and (government)subsidies_i) + (-0.194 percentage of income private contributions, donations and (government)subsidies_i)* + (0.086 social entrepreneurial projects_i)*

* = significant at .05 – level.

5.5 Conclusion

Based on the results described in section 5.2 and 5.3, the hypotheses H_{2a} , H_{3a} , H_{4a} and H_{6b} , as formulated in section 3.4.1, can be tested. However, before testing these hypotheses it is noteworthy to recapitulate some interesting specific conclusions resulting from some (non-)parametric tests as described in this chapter and from the regression analyses in section 5.4.

5.5.1 Specific conclusions

First of all, service clubs that do make use of commercial activities (mean rank = 122.32, median = 15.000) do have a significant higher level of annual total revenue than the clubs that do not make use of commercial activities (mean rank = 104.06, median = 10.000). Secondly, service clubs that do make use of commercial activities (mean rank = 116.85, median = 4.0 = 30-40%) did not differ significantly

in having more members with a commercial background than service clubs that do not make use of commercial activities (mean rank = 101.17, median = 4.0 = 30-40%). Thirdly, respondents, who answered that income from commercial activities ensures that their service club has more control over income deployment, do have a significant higher level of commercial activity ($M = 3.29$, $SE = 0.15$), than respondents who answered that income from commercial activities does not ensure more control over income deployment ($M = 2.87$, $SE = 0.11$). Fourthly, service clubs that do make use of commercial activities do have significantly higher percentages of income from commercial activities (median = 4.74) than percentages of income from private contributions, donations and (government) subsidies (median = 3.81).

Regarding section 5.4, the following conclusion can be drawn. There is a significant positive relation between the extent of social entrepreneurial projects and the annual total revenue of service clubs, $r_s = .301$. The extent of social entrepreneurial projects significantly predicts the annual total revenue of service clubs ($b = 5824.00$, $p = .003$). There is a significant positive relation between the extent of income stability due to the use of commercial activity and the percentage of income from commercial activities, $r_s = .434$. The extent of income stability due to the use of commercial activity significantly predicts the percentage of income from commercial activities ($b = .393$, $p = .011$). There is a significant negative relation between the percentage of income from private contributions, donations and (government) subsidies and the percentage of income from commercial activities, $r_s = -.249$. The percentage of income from private contributions, donations and (government) subsidies significantly predicts and the percentage of income from commercial activities ($b = -.194$, $p = .027$).

5.5.2 Hypotheses testing

There is a significant positive relation between the extent of commercial activity and the extent to which service club members with commercial background set up commercial activities, $r = .443$. The extent to which service club members with commercial background set up commercial activity significantly predicts the extent of commercial activity in both the original model ($b = 0.317$, $p < .001$) and the adjusted model ($b = 0.200$, $p = .002$). This means that there is enough evidence to support hypothesis H_{2a} : the higher the extent to which service club members with commercial background set up commercial activity within a particular service club, the higher the level of commercial activity within that club. Note that the percentage of service club members with commercial background does not predict the extent of commercial activity in both models ($b = 0.022$, $p = .602$; $b = 0.037$, $p = .324$).

There is a significant positive relation between the extent of commercial activity and the extent to which commercial activities are used in order to provide income stability within a service club (i.e. reduced revenue volatility), $r = .325$. The extent to which commercial activities are used in order to provide income stability within a service club (i.e. reduced revenue volatility) significantly predicts the extent of commercial activity ($b = 0.169$, $p = .001$) in the original model and not significantly in the adjusted model ($b = 0.030$, $p = .518$). This means that there is ambiguous evidence regarding hypothesis H_{3a} : the higher the perceived level of income stability (i.e. reduced revenue volatility) due to commercial activities within a particular service club, the higher the level of commercial activity within that club. Therefore we cannot reject or support this hypothesis.

There is no significant relation between the extent of commercial activity and the extent to which commercial activities are used because they are an alternative for increased competition for private contributions, donations and (government) subsidies, $r_s = .061$. The extent to which commercial activities are used because they are an alternative for increased competition for private contributions, donations and (government) subsidies does not significantly predicts the extent of commercial activity in both the original model ($b = .000$, $p = .994$) and the adjusted model ($b < 0.000$, $p = .999$). This means that there is not (!) enough evidence to support hypothesis H_{4a} : the higher the perceived level of competition for private contributions/donations and subsidies within a particular service club, the higher the level of commercial activity within that club. The hypothesis should be rejected.

There is no significant relation between the extent of commercial activity and the extent of entrepreneurial orientation among local service clubs, $r = .054$. The extent of entrepreneurial orientation among local service clubs does not significantly predicts the extent of commercial activity in both the original model ($b = -.006$, $p = .939$) and the adjusted model ($b = 0.054$, $p = .386$). This means that there is not (!) enough evidence to support hypothesis H_{6b} : the higher the level of entrepreneurial orientation within service clubs, the higher the level of commercial activity within that club. The hypothesis should be rejected.

5.5.3 Sub research questions

Now the results are described in the sections above, some conclusions can be drawn regarding the two sub questions of this study.

- I. To what extent do local Rotary & Lions clubs in the Netherlands make use of commercial activity?
- II. To what extent can the use of commercial activities by local Rotary & Lions clubs in the Netherlands be explained by: the commercial background of service club members, reduced revenue volatility, increased competition for private contributions, donations and subsidies and entrepreneurial orientation?

A majority of the service clubs in the Netherlands make use of commercial activity (in order to diversify their revenue streams); 156 out of the 241 respondents answered that their local service club made use of commercial activities in order to raise funds (for a service project) in the period 2010 – present. The average extent of commercial activities among local service clubs that make use of commercial activities can be considered as reasonable. The average annual total revenue of service clubs that make use of commercial activities is € 20.308. The approximate average percentage of income from commercial activities compared to the total revenue among local service clubs that make use of commercial activities is around 40%. As mentioned in section 5.5.1, service clubs that do make use of commercial activities do have a significant higher level of annual total revenue than the clubs that do not make use of commercial activities. Service clubs do not make use of commercial activities for their own interest; instead, they make use of commercial activities in order to raise funds for their projects. Based on the answer given to an open question, the pursuit of fellowship, cooperation and involvement (taken together as the pursuit of social capital) can be

considered as an important reason for the use of commercial activity. Note that this is not examined quantitatively.

The use of commercial activities by local Rotary & Lions clubs in the Netherlands can be explained by the commercial background of service club members; there is enough evidence to support hypothesis H_{2a} : the higher the extent to which service club members with commercial background set up commercial activity within a particular service club, the higher the level of commercial activity within that club. There is ambiguous evidence regarding hypothesis H_{3a} : the higher the perceived level of income stability (i.e. reduced revenue volatility) due to commercial activities within a particular service club, the higher the level of commercial activity within that club. So, it cannot be said convincingly that the use of commercial activities by local Rotary & Lions clubs in the Netherlands can be explained by the concept of reduced revenue volatility. Moreover, the use of commercial activities by local Rotary & Lions clubs in the Netherlands cannot be explained by increased competition for private contributions, donations and subsidies and the entrepreneurial orientation of service clubs. Finally, it should be mentioned that the percentage of income from commercial activities significantly predicts the extent of commercial activity (see adjusted model in section 5.3.3). So, the use of commercial activities by local Rotary & Lions clubs in the Netherlands can be explained by the percentage of income from commercial activities, which can be considered as a plausible conclusion.

6. Social entrepreneurialism among local Rotary and Lions clubs in the Netherlands

In this chapter, the survey results regarding social entrepreneurialism among local Rotary and Lions clubs in the Netherlands are described. Moreover, answers are given to the sub questions 3 and 4 of this study. As mentioned earlier, the results are analysed in a quantitative way.

6.1 Descriptive statistics

As mentioned in the previous chapter, the descriptive statistics regarding the concepts of entrepreneurial orientation and compassion are given in this chapter since these concepts are more related to social entrepreneurialism than commercial activity. However, the survey results regarding these concepts are already used for correlation (see section 5.2) and multiple linear regression (see section 5.3).

6.1.1 Entrepreneurial orientation

155 respondents answered the question regarding the extent to which service clubs experiment (i.e. innovativeness) in setting up new and unique projects (frequencies; no extent: 5, very small extent: 19, small extent: 35, reasonable extent: 60, large extent: 29, very large extent: 6, full extent: 1). 130 respondents answered the question regarding the extent to which service clubs set up new and unique projects (i.e. proactiveness) compared to other service clubs (frequencies; no extent: 8, very small extent: 22, small extent: 27, reasonable extent: 49, large extent: 19, very large extent: 5, full extent: 0). 156 respondents answered the question regarding the extent of the willingness of service clubs to take financial risk (i.e. risk taking) in setting up projects (frequencies; no extent: 24, very small extent: 43, small extent: 48, reasonable extent: 35, large extent: 5, very large extent: 1, full extent: 0). Below, one can find the descriptive statistics regarding these three questions/concepts (innovativeness, proactiveness and risk taking).

		Statistics		
		Extent of experimentation in setting up new and unique projects	Extent of setting up new and unique projects compared to other service clubs	Extent of willingness to take financial risk in setting up projects
N	Valid	155	130	156
	Missing	1	26	0
Mean		2,72	2,49	1,72
Std. Error of Mean		,093	,107	,089
Median		3,00	3,00	2,00
Std. Deviation		1,155	1,222	1,110

Regarding the extent to which service clubs experiment (i.e. innovativeness), the mean is 2.72 and the median 3.0. In general, the average extent of experimentation among local service clubs in setting up new and unique projects can be considered as reasonable (3.0 = reasonable extent). Regarding the extent to which service clubs set up new and unique projects compared to other service clubs (i.e. proactiveness), the mean is 2.49 and the median 3.0. In general, the average extent

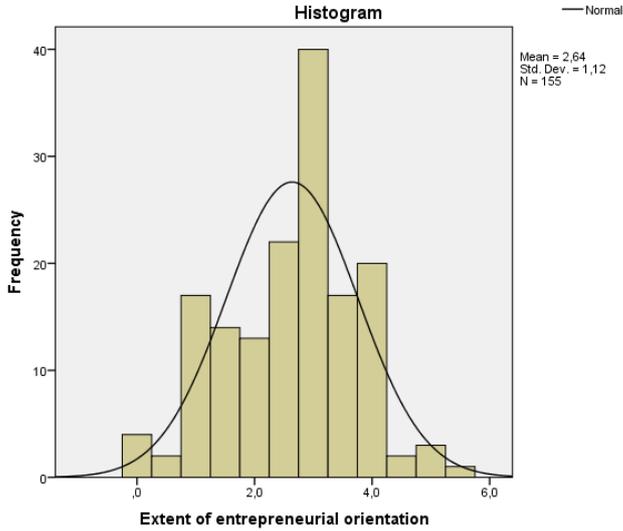
of setting up new and unique projects compared to other service clubs can be considered as in between small and reasonable (2.0 = small extent, 3.0 = reasonable extent). Regarding the extent of the willingness of service clubs to take financial risk in setting up projects (i.e. risk taking), the mean is 1.72 and the median 2.0. In general, the average extent of the willingness of service clubs to take financial risk in setting up projects, can be considered as small (2.0 = small extent). As mentioned in section 4.5.1, the entrepreneurial orientation scale consists of two items (innovativeness and proactiveness); the item of risk taking is deleted because its negative impact on Cronbach’s alpha. Below, the descriptive statistics are given for the extent of entrepreneurial orientation.

Statistics
Extent of entrepreneurial orientation

N	Valid	155
	Missing	1
Mean		2,639
Std. Error of Mean		,0900
Median		3,000
Std. Deviation		1,1203

The mean is 2.64 and the median 3.0. In general, the average extent of entrepreneurial orientation among local service clubs can be considered as reasonable (3.0 = reasonable extent). In the figure below, the distribution of the extent of entrepreneurial orientation among local service clubs is shown (skewness value: -0.248, skewness z-score: -1.27 < +/- 1.96; kurtosis value: -0.286, kurtosis z-score: -0.74 < +/- 1.96).

Figure 36: (normal) distribution regarding the extent of entrepreneurial orientation among local service clubs.

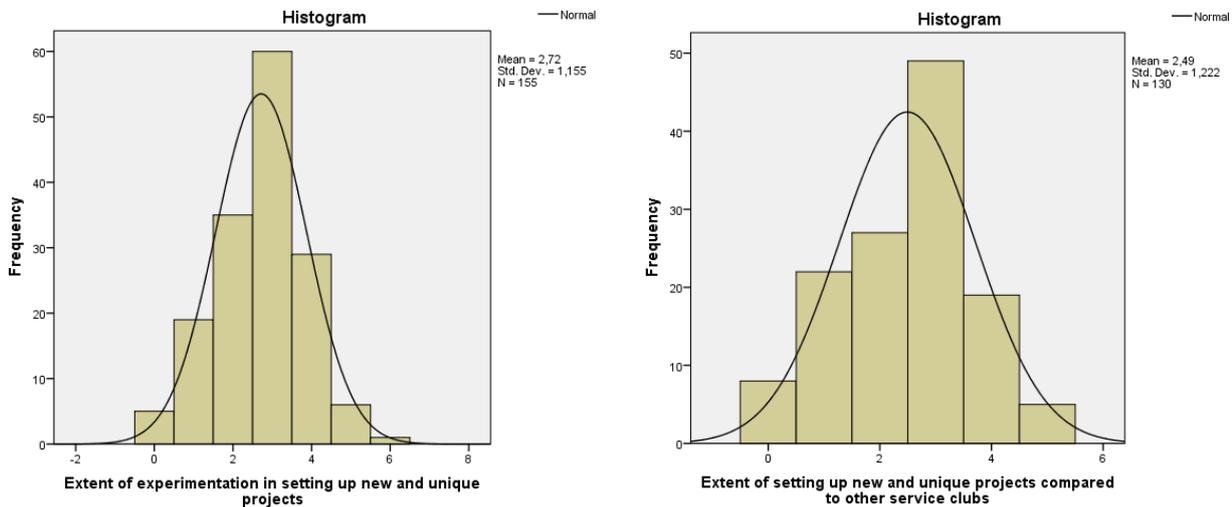


Based on these values and the graphical representation of the data, the conclusion can be drawn that the data regarding the extent of entrepreneurial orientation are normal distributed.

In the figure below, one can find the distributions of the data regarding the extent of innovativeness and proactiveness. Regarding the distribution of the extent to which service clubs experiment in setting up new and unique projects (i.e. innovativeness; skewness value: -0.168, skewness z-score: -0.86 < +/- 1.96; kurtosis value: -0.008, kurtosis z-score: -0.02 < +/- 1.96;), the conclusion can be

drawn that these are normally distributed. The data regarding the extent to which service clubs set up new and unique projects compared to other service clubs (i.e. proactiveness; skewness value: -0.215, skewness z-score: $-1.01 < +/- 1.96$; kurtosis value: -0.450, kurtosis z-score: $-1.07 < +/- 1.96$), are also normally distributed.

Figure 37: (normal) distribution regarding the extent of innovativeness and proactiveness.



In order to compare the means of the extent of experimentation and the extent of proactiveness among local service clubs, a paired-samples t-test can be applied since the data sets are normally distributed (Field, 2013, p. 378).

Paired Samples Statistics

	Mean	N	Std. Deviation	Std. Error Mean
Pair 1 Extent of experimentation in setting up new and unique projects	2,68	130	1,163	,102
Extent of setting up new and unique projects compared to other service clubs	2,49	130	1,222	,107

Note that the mean of the extent of experimentation is a little bit lower (2.68) compared to earlier descriptive statistics regarding this variable (2.72); the reason for this is the ‘reduction’ of data (N was 155 and is now 130) which is necessary since the N of the extent of proactiveness is 130. The homogeneity of variance can be assumed (variance experimentation: 1.352; variance proactiveness: 1.492)

On average, service clubs are more experimental (M = 2.68, SE = 0.10), than proactive (M = 2.49, SE = 0.11). This mean difference, 0.185, BCa 95% CI [0.040, 0.329], is significant $t(129) = 2.526, p = .013 < \alpha = .05$. The effect size of this difference is measured by Cohen’s d (Field, 2013, p. 387) and is 0.15, which can be considered as a small effect.

6.1.2 Compassion

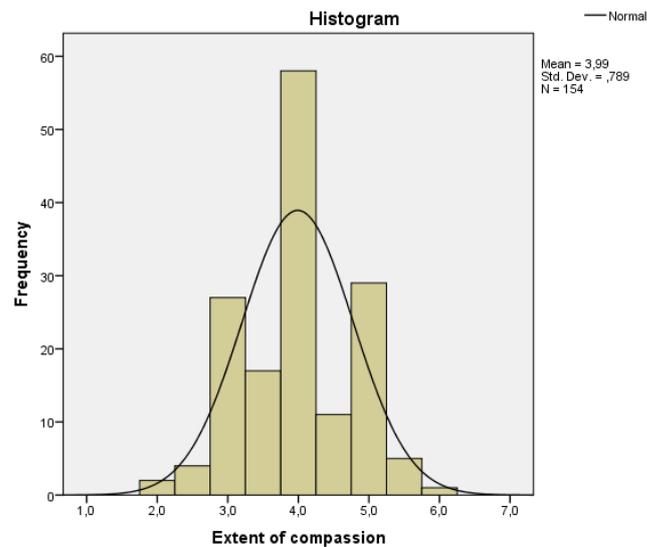
First of all, the descriptive statistics regarding the two scale-items (i.e. emotional connection to others' suffering and commitment to alleviating others' suffering) are given. 154 respondents answered the question regarding the extent to which service club members are concerned with the suffering of powerless segment(s) of a population (i.e. the emotional connection to others' suffering) (frequencies; no extent: 0, very small extent: 0, small extent: 2, reasonable extent: 37, large extent: 68, very large extent: 40, full extent: 7). 154 respondents answered the question regarding the extent to which service club members are committed to alleviate the suffering of powerless segment(s) of a population (i.e. commitment to alleviating others' suffering) (frequencies; no extent: 0, very small extent: 0, small extent: 6, reasonable extent: 43, large extent: 68, very large extent: 35, full extent: 2). Below, the descriptive statistics are shown.

		Extent of concern with the suffering of powerless segment(s) of a population	Extent of commitment to alleviate the suffering of powerless segment(s) of a population	Extent of compassion
N	Valid	154	154	154
	Missing	2	2	2
Mean		4,08	3,90	3,990
Std. Error of Mean		,069	,068	,0636
Median		4,00	4,00	4,000
Std. Deviation		,855	,841	,7890

Regarding the extent to which service club members are concerned with the suffering of powerless segment(s) of a population, the mean is 4.08 and the median 4.0. In general, the average extent to which service club members are concerned with the suffering of powerless segment(s) of a population, can be considered as large (4.0 = large extent). The extent to which service club members are committed to alleviate the suffering of powerless segment(s) of a population (i.e. commitment to alleviating others' suffering) is shown by the following statistics. Regarding the extent to which service club members are committed to alleviate the suffering of powerless segment(s) of a population, the mean is 3.90 and the median 4.0. In general, the average extent to which service club members are committed to alleviate the suffering of powerless segment(s) of a population, can be considered as large (4.0 = large extent).

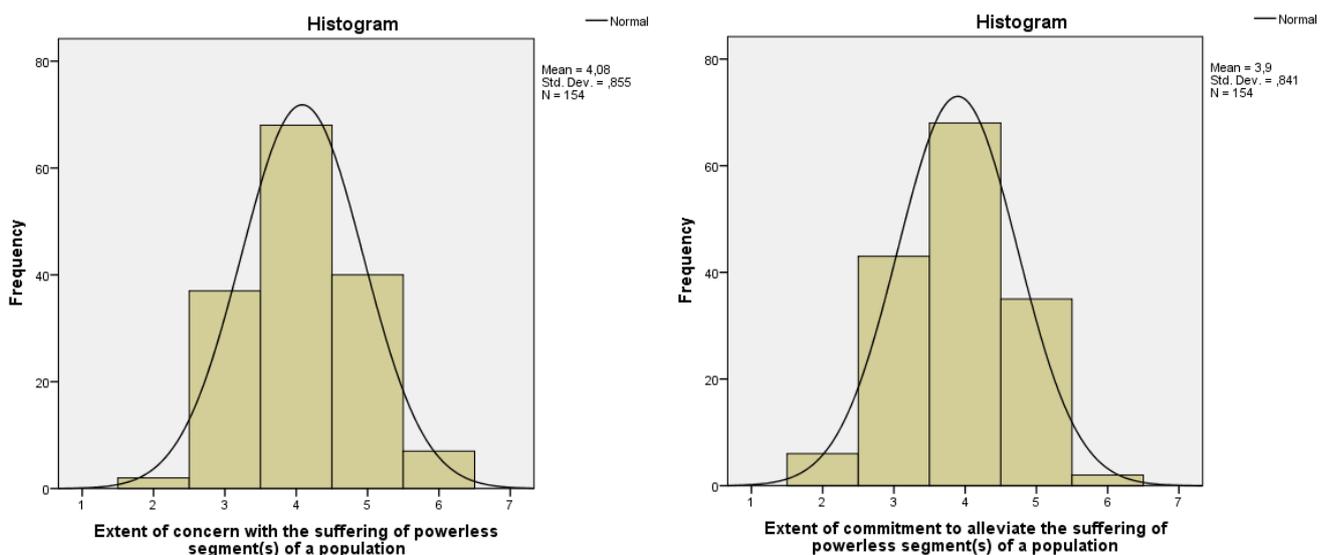
As mentioned in chapter 4, the compassion scale consists of two items (i.e. emotional connection to others' suffering and commitment to alleviating others' suffering). Regarding the extent of compassion, the mean is 3.99 and the median 4.0. In general, the average extent of compassion among local service clubs can be considered as large (4.0 = large extent). In the figure below, the distribution of the extent of compassion among local service clubs is shown (skewness value: -0.008, skewness z-score: -0.04 < +/- 1.96; kurtosis value: -0.406, kurtosis z-score: -1.04 < +/- 1.96;).

Figure 38: (normal) distribution regarding the extent of compassion among local service clubs.



Based on these values and the graphical representation of the data, the conclusion can be drawn that the data regarding the extent of entrepreneurial orientation are normally distributed. In the figure below, one can find the distributions of the data regarding the extent of emotional connection to others' suffering and the extent of commitment to alleviating others' suffering. Regarding the distribution of the extent of emotional connection to others' suffering (skewness value: 0.154, skewness z-score: $0.79 < +/- 1.96$; kurtosis value: -0.375, kurtosis z-score: $-0.96 < +/- 1.96$), the conclusion can be drawn that these are normal distributed. The data regarding the extent of commitment to alleviating others' suffering (skewness value: -0.067, skewness z-score: $-0.34 < +/- 1.96$; kurtosis value: -0.396, kurtosis z-score: $-1.02 < +/- 1.96$), are also normal distributed.

Figure 39: (normal) distribution regarding the extent of emotional connection to others' suffering and the extent of commitment to alleviating others' suffering.



In order to compare the means of the extent of concern with the suffering of powerless segment(s) of a population and the extent of commitment to alleviate the suffering of powerless segment(s) of a population among local service clubs, a paired-samples t-test can be applied since the data sets are normally distributed (Field, 2013, p. 378).

Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Extent of concern with the suffering of powerless segment(s) of a population	4,08	154	,855	,069
	Extent of commitment to alleviate the suffering of powerless segment(s) of a population	3,90	154	,841	,068

The homogeneity of variance can be assumed (variance concern/emotional connection to others' suffering: 0.708; variance commitment to alleviating others' suffering: 0.731)

On average, service clubs are more concerned with the suffering of powerless segment(s) of a population (M = 4.08, SE = 0.69), than committed to alleviate that suffering (M = 3.90, SE = 0.68). This mean difference, 0.188, BCa 95% CI [0.089, 0.288], is significant $t(153) = 3.746$, $p = < .001 < \alpha = .05$. The effect size of this difference is measured by Cohen's d (Field, 2013, p. 387) and is 0.22, which can be considered as a small effect.

6.1.3 Social entrepreneurialism

151 respondents answered the question regarding the presence of social entrepreneurial projects. Respondents were asked whether their service club set up projects (or more projects) which meet(s) all (!) of the following criteria: 1. the project addresses a problem / social need that is neglected by the market or government; 2. the problem / social need addressed concerns a powerless segment of a population; 3. in the project, value is created (by means of commercial activity) in order address the problem / social need; and 4. in the project, the service club took risk in order to create that value. Below, the descriptive statistics are given.

Social entrepreneurial project(s)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	57	36,5	37,7	37,7
	Yes, 1 project	40	25,6	26,5	64,2
	Yes, more projects	54	34,6	35,8	100,0
	Total	151	96,8	100,0	
Missing	System	5	3,2		
Total		156	100,0		

57 out of the 151 respondents (37.7%) indicated that their service club did not set up (a) social entrepreneurial project(s), in the period 2010 – present (June 2015). 40 out of the 151 respondents (26.5%) indicated that their service club did set up one social entrepreneurial project, in the period

2010 – present. 54 out of the 151 respondents (35.8%) indicated that their service club did set up more than one social entrepreneurial project, in the period 2010 – present. So, a majority (94 out of 151 respondents, 62.3%) of service clubs, that do make use of commercial activity, set up (a) social entrepreneurial project(s), in the period 2010 – present.

Since the extent of commercial activity is normally distributed, an independent t-test can be applied in order to examine whether there is a difference in mean regarding the extent of commercial activity between the following two groups: service clubs that did not set up social entrepreneurial project(s) (N = 57) and service clubs that did set up social entrepreneurial project(s) (N = 94). Below, the relevant statistics can be found.

	Social entrepreneurial project(s)	N	Mean	Std. Deviation	Std. Error Mean
Extent of commercial activity	No	57	3,02	1,232	,163
	Yes	94	2,96	1,026	,106

The Levene’s test is non-significant ($p = .205 > .05$), so the test statistics in the row ‘Equal variances assumed’ should be read (Field, 2013, p. 374).

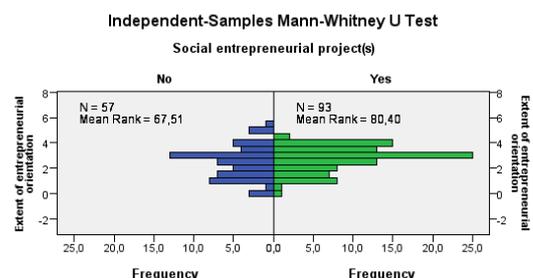
On average, service clubs that did not set up social entrepreneurial project(s), do have a higher level of commercial activity ($M = 3.02$, $SE = 0.16$), than service clubs that did set up social entrepreneurial project(s) ($M = 2.96$, $SE = 0.11$). This mean difference, 0.060 , $BCa\ 95\% \text{ CI } [-0.307, 0.428]$, is not significant $t(149) = 0.323$, $p = .747 < \alpha = .05$. The effect size of this difference is measured by Cohen’s d (Field, 2013, p. 79) and is 0.06 , which can be considered as a negligible effect.

Since the data regarding the extent of entrepreneurial orientation are normally distributed, an independent t-test could be applied in order to examine whether there is a difference in mean regarding the extent of entrepreneurial orientation between the following two groups: service clubs that did not set up social entrepreneurial project(s) (N = 57) and service clubs that did set up social entrepreneurial project(s) (N = 94). However, the Levene’s test is significant, so the non-parametric the Mann-Whitney test is ran. In the figure below, the results of the Mann-Whitney test can be read.

Figure 40: Mann-Whitney test regarding the extent of entrepreneurial orientation among local service clubs (with and without social entrepreneurial projects)

	Null Hypothesis	Test	Sig.	Decision
1	The distribution of Extent of entrepreneurial orientation is the same across categories of Social entrepreneurial project(s).	Independent-Samples Mann-Whitney U Test	,074	Retain the null hypothesis.

Asymptotic significances are displayed. The significance level is ,05.



Total N	150
Mann-Whitney U	3.106.000
Wilcoxon W	7.477.000
Test Statistic	3.106.000
Standard Error	255.007
Standardized Test Statistic	1,786
Asymptotic Sig. (2-sided test)	,074

The p-value = .074 and is more than the critical value of .05. So, the null hypothesis (there is no difference in the distribution of the extent of entrepreneurial orientation; with or without social entrepreneurial projects) should be accepted. This means that the service clubs that did set up social entrepreneurial project(s) (mean rank = 80.40, median = 3.0) do not have a significant higher level of entrepreneurial orientation than service clubs that did not set up social entrepreneurial project(s) (mean rank = 67.51, median = 2.5), with: $U = 3.106$, $z = 1.786$, $p = .074$, $r = .15$.

Since the data regarding the extent of compassion are normally distributed, an independent t-test can be applied in order to examine whether there is a difference in mean regarding the extent of compassion between the following two groups: service clubs that did not set up social entrepreneurial project(s) (N = 57) and service clubs that did set up social entrepreneurial project(s) (N = 94). Below, the relevant statistics can be found.

	Social entrepreneurial project(s)	N	Mean	Std. Deviation	Std. Error Mean
Extent of compassion	No	56	3,911	,8372	,1119
	Yes	93	4,070	,7575	,0786

The Levene's test is non-significant ($p = .173 > .05$), so the test statistics in the row 'Equal variances assumed' should be read (Field, 2013, p. 374).

On average, service clubs that did set up social entrepreneurial project(s), do have a higher level of compassion ($M = 4.07$, $SE = 0.08$), than service clubs that did not set up social entrepreneurial project(s) ($M = 3.91$, $SE = 0.11$). This mean difference, -0.1592 , BCa 95% CI $[-0.423, 0.104]$, is not significant $t(149) = -1.194$, $p = .234 < \alpha = .05$. The effect size of this difference is measured by Cohen's d (Field, 2013, p. 79) and is 0.19 , which can be considered as a small-medium effect.

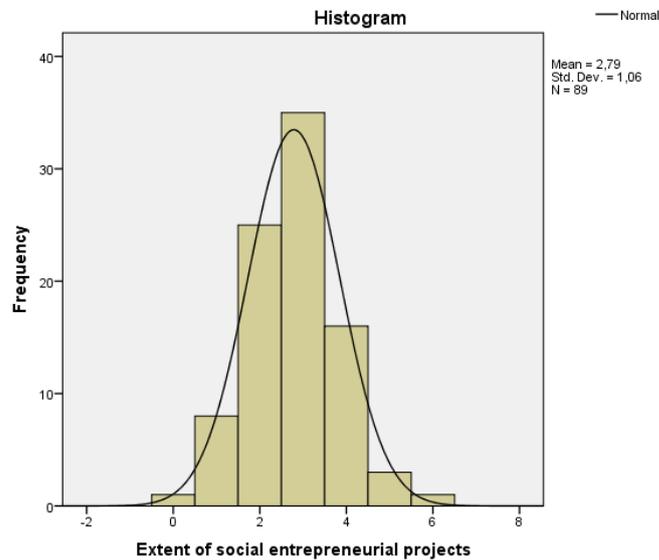
Out of the 94 respondents who answered that their service club set up (a) social entrepreneurial project(s), 89 respondents answered the question regarding the extent of social entrepreneurial projects compared to other activities (frequencies; no extent: 1, very small extent: 8, small extent: 25, reasonable extent: 35, large extent: 16, very large extent: 3, full extent: 1). Below, the corresponding statistics are given.

Extent of social entrepreneurial projects		
N	Valid	89
	Missing	67
Mean		2,79
Std. Error of Mean		,112
Median		3,00
Std. Deviation		1,060

Regarding the extent of social entrepreneurial projects compared to other activities, the mean is 2.79 and the median 3.0 . In general, the average extent of social entrepreneurial projects compared to other activities can be considered as reasonable ($3.0 =$ reasonable extent). Note that this only applies to those service clubs that have set up (a) social entrepreneurial project(s). In the figure below, the distribution of the extent of social entrepreneurial projects compared to other activities is shown

(skewness value: 0.149, skewness z-score: 0.58 < +/- 1.96; kurtosis value: 0.405, kurtosis z-score: 0.80 < +/- 1.96).

Figure 41: (normal) distribution regarding the extent of social entrepreneurial projects compared to other activities.



Based on these values and the graphical representation of the data, the conclusion can be drawn that the data regarding the extent of entrepreneurial orientation are normal distributed.

In order to compare the means of the extent of social entrepreneurial projects and the extent of commercial activity, a paired-samples t-test can be applied since the data sets are normally distributed (Field, 2013, p. 378).

Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Extent of commercial activity	2,98	89	1,044	,111
	Extent of social entrepreneurial projects	2,79	89	1,060	,112

The homogeneity of variance can be assumed (variance commercial activity: 1.090; variance social entrepreneurial projects: 1.124)

On average, service clubs that both make use of commercial activity and set up (a) social entrepreneurial project(s), do have more commercial activities compared to other activities (M = 2.98, SE = 0.11), than social entrepreneurial projects compared to other activities (M = 2.79, SE = 0.11). This mean difference, 0.191, BCa 95% CI [-0.069, 0.451], is not significant $t(88) = 1.462$, $p = .147 > \alpha = .05$. The effect size of this difference is measured by Cohen's d (Field, 2013, p. 387) and is 0.18, which can be considered as a small effect.

93 out of the 94 respondents answered the question regarding the extent of goal attainment of

social entrepreneurial projects (frequencies; no extent: 0, very small extent: 0, small extent: 0, reasonable extent: 19, large extent: 31, very large extent: 31, full extent: 12. Below, the corresponding statistics are given.

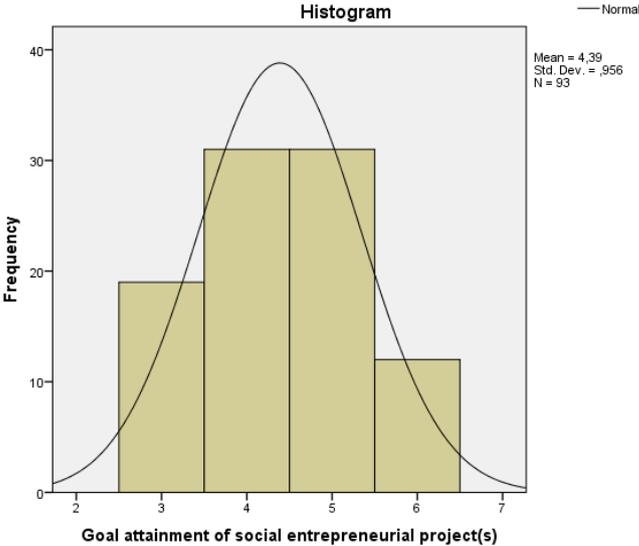
Statistics

Goal attainment of social entrepreneurial project(s)

N	Valid	93
	Missing	63
Mean		4,39
Std. Error of Mean		,099
Median		4,00
Std. Deviation		,956

Regarding the extent of goal attainment of social entrepreneurial projects, the mean is 4.39 and the median 4.0. In general, the average extent of goal attainment of social entrepreneurial projects can be considered as large (4.0 = large extent). Note that this only applies to those service clubs that have set up (a) social entrepreneurial project(s). In the figure below, the distribution of the extent of goal attainment of social entrepreneurial projects is shown (skewness value: 0.063, skewness z-score: 0.25 < +/- 1.96; kurtosis value: -0.924, kurtosis z-score: -1.87 < +/- 1.96).

Figure 42: (normal) distribution regarding the extent of goal attainment of social entrepreneurial projects.



Based on these values and the graphical representation of the data, the conclusion can be drawn that the data regarding the extent of goal attainment of social entrepreneurial projects are reasonably normally distributed.

6.1.4 Description of social entrepreneurial projects

Respondents were asked to describe the most successful social entrepreneurial project their service club have set up in the period 2010 – present. This resulted in 67 responses. In appendix VIII, one can read the short summaries of all the projects. It is, however, very difficult to determine, based on the descriptions of the projects, whether projects can be indeed characterised as social entrepreneurial.

As mentioned in the theoretical model, a social entrepreneurial project/initiative entails: addressing problems / social needs that are neglected by the market or government; those problems / social needs are examples of positive externalities and concern a powerless segment of a population; value is created (by means of commercial activity) in order address those problems / social needs; opportunities are identified and resources combined to create that value; and willingness to bear risk.

And yes, there are a lot of projects that meet those criteria. Funding and helping organisations (local or international) that address problems or social needs by profits of organised events (in a broad sense), is a common answer to this question. It is remarkable that projects (i.e. funding and helping organisations) are often decoupled from the commercial activities. This is, in my opinion, not a reason to consider those service clubs as not social entrepreneurial. The commercial activities are often necessary in order to contribute to a social project. Based on the answers given, most of the service clubs act as real entrepreneurial organisations; they identify an opportunity to make money, invest in resources and take risk in order to make that money. In some cases, these risks are even not controllable, such as weather conditions. Based on the answers given, there are also service clubs that combine commercial activities (such as ticket sales) with sponsoring; then, such projects cannot be characterised as fully social entrepreneurial. And, there are a few service clubs that indicated that they have set up social entrepreneurial projects, but, based on their answers given to this question, it turned out that they funded social projects predominantly by sponsoring and charity giving. This cannot be characterised as social entrepreneurial. So, in addition to the short summaries of the 67 projects (see appendix VIII), I have added two columns: one in which one can read whether the respondent indicated if his/her service club have set up (a) social entrepreneurial project(s) and one in which one can read my examination of social entrepreneurialism based on the answer given to the question regarding project description.

Based on the descriptions as mentioned in appendix VIII, my global assessment of the answers given and the fact that 94 out of 151 respondents (62.3%) indicated that their service club have set up (a) social entrepreneurial project(s), I believe that there is enough evidence to accept the following hypothesis which I formulated in section 3.4 of this study:

H_s: there are projects of local Rotary and Lions clubs in the Netherlands that can be characterised as social entrepreneurial.

6.2 Correlation

Just as in section 5.2, relationships are described in this section by means of correlation coefficients are described (parametric and non-parametric).

6.2.1 The extent of social entrepreneurial projects and the extent of commercial background

The extent of social entrepreneurial projects and the extent to which service club members with commercial background set up commercial activities are both normal distributed (see figures 36 and 17). As one can see in appendix VII, there is a significant positive relation between the extent of social entrepreneurial projects and the extent to which service club members with commercial background set up commercial activities, $r = .243$ (small-medium effect), 95% BCa CI [.008, .461], $p = .023 < \alpha = .05$. $R^2 = 0.0590 = 5.90\%$; the extent to which service club members with commercial background set up commercial activities shares 5.90% in the variability of the extent of social entrepreneurial projects set up by local service clubs.

The extent of social entrepreneurial projects and the percentage of service club members with commercial background are not both normal distributed (see figures 36 and 18). So, the nonparametric Spearman's rho is an adequate alternative (Field, 2013, p. 276-277). As one can see in appendix VII, there is no significant relation between the extent of social entrepreneurial projects and the number of members (expressed in a percentage) with a commercial background within a local service club, $r_s = -.079$ (small effect), 95% BCa CI [-.303, .133], $p = .463 > \alpha = .05$. Moreover, the confidence interval crosses zero; as a result, no meaningful conclusion can be drawn regarding the direction of the non-significant relation between these two variables.

6.2.2 The extent of social entrepreneurial projects and the extent of reduced revenue volatility

The extent of social entrepreneurial projects and the extent to which commercial activities, as a tool to raise funds, are used in order to provide income stability within a service club are not both normal distributed (see figures 36 and 20). As one can see in appendix VII, there is no significant relation between the extent of social entrepreneurial projects and the extent to which commercial activities are used in order to provide income stability within a service club, $r_s = .088$ (small effect), 95% BCa CI [-.120, .314], $p = .412 > \alpha = .05$. Moreover, the confidence interval crosses zero; as a result, no meaningful conclusion can be drawn regarding the direction of the non-significant relation between the two variables.

6.2.3 The extent of social entrepreneurial projects and increased competition

The extent of social entrepreneurial projects and the extent to which commercial activities are used because they are an alternative to increased competition for private contributions, donations and (government) are not both normal distributed (see figures 36 and 21). As one can see in appendix VII, there is no significant relation between the extent of social entrepreneurial projects and the extent to which commercial activities are used because they are an alternative to increased competition for private contributions, donations and (government), $r_s = .035$, 95% BCa CI [-.219, .227], $p = .751 > \alpha = .05$. Moreover, the confidence interval crosses zero; as a result, no meaningful conclusion can be drawn regarding the direction of the non-significant relation between the two variables.

6.2.4 The extent of social entrepreneurial projects and the extent of entrepreneurial orientation

The extent of social entrepreneurial projects and the extent of entrepreneurial orientation are both normal distributed (see figures 36 and 31). As one can see in appendix VII, there is no significant relation between the extent of social entrepreneurial projects and the extent of entrepreneurial orientation among local service clubs, $r = .159$, 95% BCa CI $[-.056, .368]$, $p = .138 > \alpha = .05$. Moreover, the confidence interval crosses zero; as a result, no meaningful conclusion can be drawn regarding the direction of the non-significant relation between the two variables.

6.2.5 The extent of social entrepreneurial projects and the extent of compassion

The extent of social entrepreneurial projects and the extent of compassion are both normal distributed (see figures 36 and 33). As one can see in appendix VII, there is no significant relation between the extent of social entrepreneurial projects and the extent of compassion among local service clubs, $r = -.100$, 95% BCa CI $[-.309, .126]$, $p = .352 > \alpha = .05$. Moreover, the confidence interval crosses zero; as a result, no meaningful conclusion can be drawn regarding the direction of the non-significant relation between the two variables.

6.2.6 Other significant relations

As one can see in appendix VII, other significant positive (!) relations are found between:

- The percentage of income from private contributions, donations and (government) subsidies and the extent of entrepreneurial orientation, $r_s = .163$, 95% BCa CI $[.009, .335]$, $p = 0.046 < \alpha = .05$. $R^2 = 0.0266 = 2.66\%$; the extent of entrepreneurial orientation shares 2.66% in the variability of the percentage of income from private contributions, donations and (government) subsidies.
- The extent of commercial activity and the extent of compassion, $r = .199$, 95% BCa CI $[.025, .369]$, $p = 0.013 < \alpha = .05$. $R^2 = 0.0396 = 3.96\%$; the extent of compassion shares 3.96% in the variability of the extent of commercial activity among local service clubs.
- The extent of commercial activity and the extent of social entrepreneurial projects, $r = .314$, 95% BCa CI $[.104, .517]$, $p = < 0.003$. $R^2 = 0.0986 = 9.86\%$; the extent of social entrepreneurial projects shares 9.86% in the variability of the extent of commercial activity among local service clubs.
- The percentage of income from commercial activities and the extent of social entrepreneurial projects, $r_s = .260$, 95% BCa CI $[.034, .466]$, $p = 0.015 < \alpha = .05$. $R^2 = 0.0676 = 6.76\%$; the extent of social entrepreneurial projects shares 6.76% in the variability of the percentage of income from commercial activities.
- The extent of compassion and the extent of entrepreneurial orientation, $r = .314$, 95% BCa CI $[.169, .460]$, $p = < 0.001$. $R^2 = 0.0986 = 9.86\%$; the extent of entrepreneurial orientation shares 9.86% in the variability of the extent of compassion.
- The extent of social entrepreneurial projects and the extent of goal attainment regarding social entrepreneurial projects, $r = .331$, 95% BCa CI $[.152, .490]$, $p = 0.002 < \alpha = .05$. $R^2 = 0.1096 = 10.96\%$; the extent of goal attainment regarding social entrepreneurial projects shares 10.96% in the variability of the extent of social entrepreneurial projects.

6.3 Multiple regression analysis

In section 5.3, multi regression analysis is already explained. So below, the results can be found immediately.

6.3.1 Regression model regarding the extent of social entrepreneurial projects

Based on the theoretical model of this study (see figure 11), it will be examined if, and if so to what extent, social entrepreneurialism (i.e. the extent of social entrepreneurial projects) can be explained by:

- the commercial background of service club members – 1 (i.e. extent to which service club members with commercial background set up commercial activity);
- the commercial background of service club members – 2 (i.e. the percentage of service club members with commercial background);
- reduced revenue volatility (i.e. the extent of income stability due to the use of commercial activity);
- increased competition for private contributions, donations and subsidies (i.e. the extent to which commercial activities are used because they are an alternative for increased competition for private contributions, donations and government subsidies);
- entrepreneurial orientation (i.e. the extent of entrepreneurial orientation);
- compassion (i.e. the extent of compassion).

The following equation can be formulated:

$$\text{The extent of social entrepreneurial projects}_i = b_0 + b_1\text{commercial background-1}_i + b_2\text{commercial background-2}_i + b_3\text{reduced revenue volatility}_i + b_4\text{increased competition}_i + b_5\text{entrepreneurial orientation}_i + b_6\text{compassion}_i.$$

In the figure below, the results of the regression analysis can be found.

Figure 43: regression model regarding the extent of social entrepreneurial projects.

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,391 ^a	,153	,084	1,037	1,773

- a. Predictors: (Constant), Extent of compassion, Extent to which commercial activity is an alternative for increased competition for private contributions, donations and (government)subsidies, Percentage of service club members with commercial background, Extent of entrepreneurial orientation, Extent to which service club members with commercial background set up commercial activity, Extent of income stability due to the use of commercial activity
- b. Dependent Variable: Extent of social entrepreneurial projects

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	14,364	6	2,394	2,225	,050 ^b
	Residual	79,636	74	1,076		
	Total	94,000	80			

a. Dependent Variable: Extent of social entrepreneurial projects

b. Predictors: (Constant), Extent of compassion, Extent to which commercial activity is an alternative for increased competition for private contributions, donations and (government) subsidies, Percentage of service club members with commercial background, Extent of entrepreneurial orientation, Extent to which service club members with commercial background set up commercial activity, Extent of income stability due to the use of commercial activity

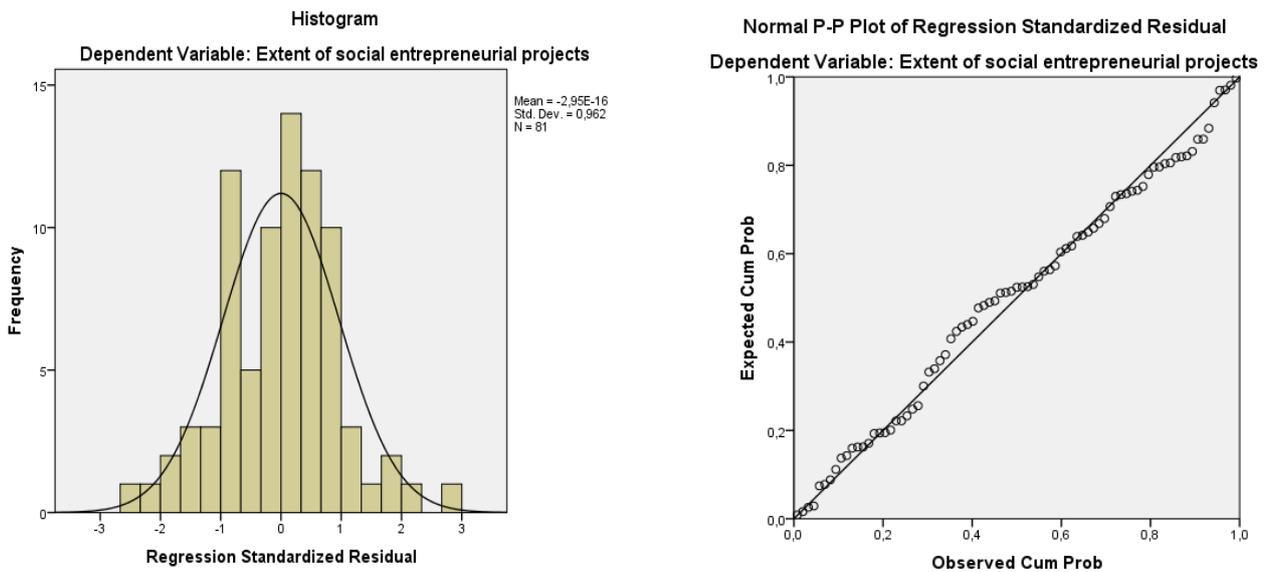
Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95,0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	2,666	,713		3,741	,000	1,246	4,085
	the commercial background of service club members – 1	,318	,107	,359	2,982	,004	,106	,531
	the commercial background of service club members – 2	-,112	,060	-,224	-1,869	,066	-,232	,007
	reduced revenue volatility	,028	,081	,044	,349	,728	-,133	,190
	increased competition for private contributions, donations and subsidies	-,003	,073	-,006	-,044	,965	-,149	,143
	entrepreneurial orientation	,185	,117	,171	1,583	,118	-,048	,417
	compassion	-,217	,152	-,157	-1,427	,158	-,521	,086

a. Dependent Variable: Extent of social entrepreneurial projects

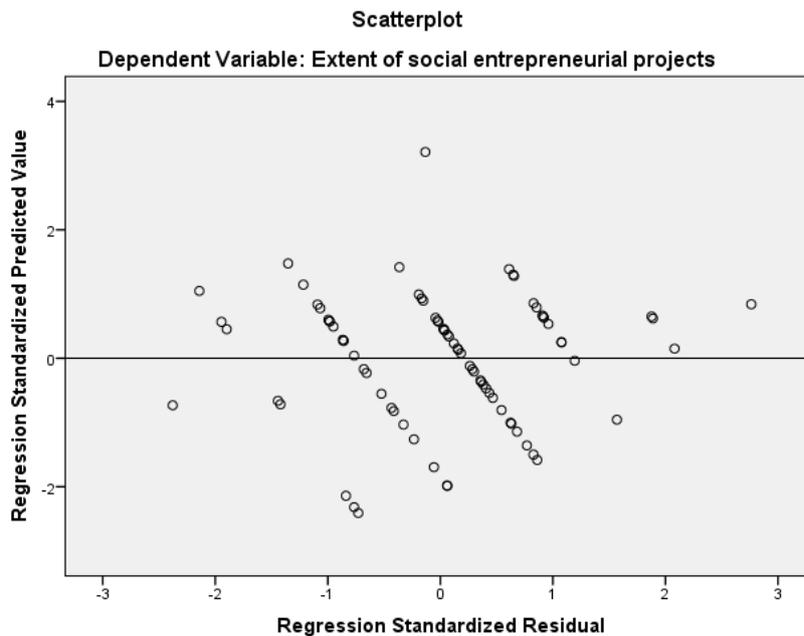
The Durbin-Watson statistic in the model summary can vary between 0 and 4; a value of 2 means that the residuals are uncorrelated and thus independent. Since this value is 1.773 and close to 2, the conclusion can be drawn that the errors are independent. Multicollinearity can be checked by which predictors correlate too highly ($r > .9$) with each other. There are no predictors that correlate so high. Moreover, the average of the VIF values (I exclude them from the coefficients table) of all predictors should not be substantially greater than 1. The VIF values are: 1.264, 1.256, 1.404, 1.365, 1.024 and 1.059. The average is 1.2287 and is not substantially greater than 1. So, there is no cause for concern regarding multicollinearity. A histogram and a normal probability plot (i.e. P-P Plot) help to test the normality of residuals (see figure 44 below). The P-P Plot shows deviations from normality as deviations from the diagonal line. As one can see in the histogram, the residuals are reasonable normally distributed. Moreover, the P-P plot shows that the data points do deviate more from the diagonal than this was the case in section 5.3. However, I consider it not as a violation of the assumption.

Figure 44: histogram and normal P-P plot regarding standardised residuals



A scatterplot regarding standardised residuals against standardised predicted values is helpful in spotting heteroscedasticity and non-linearity. There should be no systematic relationship between the errors in the model and what the model predicts. According to Field (2013, p. 192), in a scatterplot the dots may not funnel out or show a curve; they should look like a random array of dots. As one can see in the scatterplot below, the dots do not funnel out or show a curve, so the assumptions of linearity and homoscedasticity have been met.

Figure 45: scatterplot regarding standardised residuals against standardised predicted values



Finally, it is examined whether there are external variables (i.e. variables that influence the outcome variable) that correlate with any of the variables included in the regression model. In section 6.2.6

one can read that there are two other variables that influence the outcome variable, the extent of social entrepreneurial projects.

Those variables are: the percentage of income from commercial activities ($r_s = .260$) and the extent of commercial activity ($r = .314$). These variables may not correlate with the predictor variables included in the regression model. Unfortunately, they do.

- The percentage of income from commercial activities and the extent of commercial activity both correlate with the extent to which service club members with commercial background set up commercial activity ($r_s = .301$ and $r = .443$ respectively).
- The percentage of income from commercial activities and the extent of commercial activity both correlate with the extent to which commercial activities are used in order to provide income stability within a service club ($r_s = .434$ and $r = .325$).
- The percentage of income from commercial activities correlates with the extent to which commercial activity is an alternative for increased competition for private contributions, donations and (government) subsidies ($r_s = .215$).
- The extent of commercial activity correlates with the percentage of members with a commercial background within a local service club ($r = .192$).
- The extent of commercial activity correlates with the extent of compassion ($r = .199$)

As a consequence, the results of the model become to a certain extent unreliable, because other variables exist that can predict the outcome just as well (Field, 2013, p. 311). Again, the results should be interpreted cautiously. A solution to this problem is to include the influential external variables in to the model; as in section 5.3.3, I will show the results of this modified model later on in section 6.3.3. First of all, the results regarding the theoretical model are interpreted.

6.3.2 Results

R^2 shows how much variance is explained by the model compared to how much variance there is to explain in the first place; it is the proportion of variance in the outcome variable that is shared by the predictor variables. $R^2 = .153$ and means that 15.3% of the variance in the extent of social entrepreneurial projects is explained by the predictor variables. The F-ratio shows how much variability the model can explain relative to how much it cannot explain; it is the ratio of how good the model is compared to how bad it is. According to Field (2013, p. 337), the F-ratio is ‘...calculated by dividing the average improvement in prediction by the model (MS_M) by the average difference between the model and the observed data (MS_R)’; a ratio that is greater than 1 means that the improvement due to fitting the regression model is much greater than the inaccuracy within the model. The F-ratio regarding our model is 2.225, $p = .05$ and thus significant at a .05 – level. This means that the model significantly improved our ability to predict the outcome variable compared to not fitting the model.

As mentioned earlier, the b-values tell us to what degree each predictor affects the outcome if the effects of all other predictors are held constant. In this model, there is only one predictor (of the six) that significantly ($\alpha = .05$) predict the outcome variable. This variable is:

- the extent to which service club members with commercial background set up commercial activity ($b = .318, p = .004$);

The regression analysis results in the following equation:

$$\text{The extent of social entrepreneurial projects}_i = 2.666 + (0.318 \text{ commercial background-1}_i)^* + (-0.112 \text{ commercial background-2}_i) + (0.028 \text{ reduced revenue volatility}_i) + (-0.003 \text{ increased competition}_i) + (0.185 \text{ entrepreneurial orientation}_i) + (-0.217 \text{ compassion}_i).$$

* = significant at .05 – level.

6.3.3 Adjusted regression model regarding the extent of social entrepreneurial projects

Since there are external variables (i.e. variables that influence the outcome variable) that correlate with variables included in the regression model, the outcomes of the regression analysis in the previous section are to a certain extent unreliable. So, in order to cope with this problem, and to show what would otherwise happen, the influential external variables are included into the model. So, the following adjusted equation can be formulated:

$$\text{The extent of social entrepreneurial projects}_i = b_0 + b_1 \text{commercial background-1}_i + b_2 \text{commercial background-2}_i + b_3 \text{reduced revenue volatility}_i + b_4 \text{increased competition}_i + b_5 \text{entrepreneurial orientation}_i + b_6 \text{compassion}_i + b_7 \text{percentage of income from commercial activities}_i + b_8 \text{the extent of commercial activity}_i$$

In the figure below, the results of the regression analysis can be found.

Figure 46: adjusted regression model regarding the extent of social entrepreneurial projects.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.478 ^a	.228	.140	1,009	1,940

- Predictors: (Constant), Extent of commercial activity, Extent of entrepreneurial orientation, Extent of compassion, Percentage of service club members with commercial background, Extent to which commercial activity is an alternative for increased competition for private contributions, donations and (government) subsidies, Extent of income stability due to the use of commercial activity, Extent to which service club members with commercial background set up commercial activity, Percentage of income from commercial activities
- Dependent Variable: Extent of social entrepreneurial projects

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	21,116	8	2,640	2,591	.015 ^b
	Residual	71,314	70	1,019		
	Total	92,430	78			

- Dependent Variable: Extent of social entrepreneurial projects

b. Predictors: (Constant), Extent of commercial activity, Extent of entrepreneurial orientation, Extent of compassion, Percentage of service club members with commercial background, Extent to which commercial activity is an alternative for increased competition for private contributions, donations and (government)subsidies, Extent of income stability due to the use of commercial activity, Extent to which service club members with commercial background set up commercial activity, Percentage of income from commercial activities

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95,0% Confidence Interval for B					
	B	Std. Error	Beta			Lower Bound	Upper Bound				
1	(Constant)	1,785	,761					2,345	,022	,267	3,303
	the commercial background of service club members – 1	,223	,111	,252	1,999	,049	,001	,445			
	the commercial background of service club members – 2	-,121	,059	-,242	-2,047	,044	-,239	-,003			
	reduced revenue volatility	,015	,085	,024	,178	,859	-,154	,184			
	increased competition for private contributions, donations and subsidies	-,044	,074	-,074	-,594	,554	-,190	,103			
	entrepreneurial orientation	,180	,114	,168	1,575	,120	-,048	,408			
	compassion	-,144	,153	-,102	-,940	,350	-,450	,162			
	percentage of income from commercial activities	,007	,055	,018	,127	,899	-,104	,118			
	extent of commercial activity	,323	,145	,294	2,229	,029	,034	,611			

a. Dependent Variable: Extent of social entrepreneurial projects

In order to demonstrate what would happen if the influential external variables are included in the regression model, it is sufficient to mention that the assumptions regarding additivity and linearity, independence errors, homoscedasticity, and normally distributed errors are met.

$R^2 = .228$ and means that 22.8% of the variance in the extent of social entrepreneurial projects is explained by the predictor variables. The F-ratio regarding our model is 2.591, $p = .015$. This means that the model significantly improved our ability to predict the outcome variable compared to not fitting the model. In this adjusted model, there are three predictors (of the eight) that significantly ($\alpha = .05$) predict the outcome variable. Those variables are:

- the extent to which service club members with commercial background set up commercial activity ($b = .223$, $p = .049$);
- the extent of commercial activity ($b = .323$, $p = .029$).
- the percentage of service club members with commercial background ($b = -.121$, $p = .044$).

Again, the extent to which service club members with commercial background set up commercial activity remains a significant predictor of the outcome variable. Moreover, the extent of commercial activity predicts the extent of social entrepreneurial projects significantly. However, the percentage of service club members with commercial background also predicts the outcome variable significantly, albeit in a negative way. This has implications for the conclusions.

The regression analysis regarding the adjusted model results in the following equation:

The extent of social entrepreneurial projects_i = 1.785 + (0.223 commercial background-1_i)^{} + (-.121 commercial background-2_i)^{*} + (0.015 reduced revenue volatility_i) + (-0.044 increased competition_i) + (0.180 entrepreneurial orientation_i) + (-.144 compassion_i) + (0.007 percentage of income from commercial activities_i) + (0.323 the extent of commercial activity_i)^{*}.*

* = significant at .05 – level.

6.4 Conclusion

Based on the results described in section 6.2 and 6.3, the hypotheses H_{2b}, H_{3b}, H_{4b}, H_{6a} and H₇, as formulated in section 3.4.1, can be tested. In compliance with section 5.4, first some interesting specific conclusions resulting from some (non-)parametric tests as described in this chapter are recapitulated.

6.4.1 Specific conclusions

First of all, regarding the entrepreneurial orientation, service clubs are significantly more experimental in terms of experimentation in setting up new and unique projects (M = 2.68, SE = 0.10) than proactive in terms of setting up new and unique projects compared to other service clubs (M = 2.49, SE = 0.11). Secondly, regarding the concept of compassion, service clubs are significantly more concerned with the suffering of powerless segment(s) of a population (M = 4.08, SE = 0.69), than committed to alleviate that suffering (M = 3.90, SE = 0.68). Thirdly, service clubs that did not set up social entrepreneurial project(s), do not have a significant higher level of commercial activity (M = 3.02, SE = 0.16), than service clubs that did set up social entrepreneurial project(s) (M = 2.96, SE = 0.11). Fourthly, service clubs that did set up social entrepreneurial project(s) (mean rank = 80.40, median = 3.0) do not have a significant higher level of entrepreneurial orientation than service clubs that did not set up social entrepreneurial project(s) (mean rank = 67.51, median = 2.5). Fifthly, service clubs that did set up social entrepreneurial project(s), do not have a significant higher level of compassion (M = 4.07, SE = 0.08), than service clubs that did not set up social entrepreneurial project(s) (M = 3.91, SE = 0.11). Finally, service clubs that both make use of commercial activity and set up (a) social entrepreneurial project(s), do not have significantly more commercial activities compared to other activities (M = 2.98, SE = 0.11), than social entrepreneurial projects compared to other activities (M = 2.79, SE = 0.11).

6.4.2 Hypotheses testing

There is a significant positive relation between the extent of social entrepreneurial projects and the extent to which service club members with commercial background set up commercial activities, $r = .243$. The extent to which service club members with commercial background set up commercial activity significantly predicts the extent of social entrepreneurial projects in both the original model ($b = 0.318$, $p = .004$) and the adjusted model ($b = 0.223$, $p = .049$). This means that there is enough evidence to support hypothesis H_{2b}: the higher the extent to which service club members with commercial background set up commercial activity within a particular service club, the higher the level of social entrepreneurialism within that club. Note that the percentage of service club members with commercial background does not negatively (!) predict the extent social of entrepreneurial

projects in the original model significantly ($b = -0.112$, $p = .066$). However, in the adjusted model it does ($b = -0.121$, $p = .044$).

There is no significant positive relation between the extent of social entrepreneurial projects and the extent to which commercial activities are used in order to provide income stability within a service club (i.e. reduced revenue volatility), $r = .080$. The extent to which commercial activities are used in order to provide income stability within a service club (i.e. reduced revenue volatility) does not significantly predicts the extent of social entrepreneurial projects in both the original model ($b = 0.028$, $p = .728$) and the adjusted model ($b = 0.015$, $p = .859$). This means that there is not (!) enough evidence to support hypothesis H_{3b} : the higher the perceived level of income stability (i.e. reduced revenue volatility) due to commercial activities within a particular service club, the higher the level of social entrepreneurialism within that club. The hypothesis should be rejected.

There is no significant relation between the extent of social entrepreneurial projects and the extent to which commercial activities are used because they are an alternative for increased competition for private contributions, donations and (government) subsidies, $r_s = .035$. The extent to which commercial activities are used because they are an alternative for increased competition for private contributions, donations and (government) subsidies does not significantly predicts the extent of social entrepreneurial projects in both the original model ($b = -0.003$, $p = .965$) and the adjusted model ($b = -0.044$, $p = .554$). This means that there is not (!) enough evidence to support hypothesis H_{4b} : the higher the perceived level of competition for private contributions/donations and subsidies within a particular service club, the higher the level of social entrepreneurialism within that club. The hypothesis should be rejected.

There is no significant relation between the extent of social entrepreneurial projects and the extent of entrepreneurial orientation among local service clubs, $r = .159$. The extent of entrepreneurial orientation among local service clubs does not significantly predicts the extent of social entrepreneurial projects in both the original model ($b = 0.185$, $p = .118$) and the adjusted model ($b = 0.180$, $p = .120$). This means that there is not (!) enough evidence to support hypothesis H_{6a} : the higher the level of entrepreneurial orientation within service clubs, the higher the level of social entrepreneurial projects that have been set up by service clubs compared to other activities. The hypothesis should be rejected.

There is no significant relation between the extent of social entrepreneurial projects and the extent of compassion among local service clubs, $r = -.100$. The extent of compassion among local service clubs does not significantly predicts the extent of social entrepreneurial projects in both the original model ($b = -0.217$, $p = .158$) and the adjusted model ($b = -0.144$, $p = .350$). This means that there is not (!) enough evidence to support hypothesis H_7 : the higher the level of compassion among service club members, the higher the level of social entrepreneurial projects that have been set up by service clubs compared to other activities. The hypothesis should be rejected.

6.4.3 Sub research questions

Now the results are described in the sections above, some conclusions can be drawn regarding the following sub questions of this study:

- III. To what extent can projects, set up by local Rotary & Lions clubs in the Netherlands, be characterised as social entrepreneurial?
- IV. To what extent can social entrepreneurialism among service clubs be explained by: the commercial background of service club members, reduced revenue volatility, increased competition for private contributions, donations and subsidies, entrepreneurial orientation and compassion?

94 out of 151 respondents (62.3%) indicated that their service club have set up (a) social entrepreneurial project(s). 67 respondents gave up a summary of their most successful social entrepreneurial project. There are a lot of projects that meet the social entrepreneurial criteria as mentioned in the theoretical model. Funding and helping organisations (local or international) that address problems or social needs by profits of organised events (in a broad sense), is a common answer mentioned by the respondents. It is remarkable that projects (i.e. funding and helping organisations) are often decoupled from the commercial activities. This is, in my opinion, not a reason to consider those service clubs as not social entrepreneurial since commercial activities are a precondition for funding and helping organisations that address problems or social needs. Most of the service clubs (i.e. the 67 respondents who gave up a summary of their most successful social entrepreneurial project) act as real entrepreneurial organisations; they identify an opportunity to make money, invest in resources and take risk in order to make that money.

Social entrepreneurialism among service clubs Rotary & Lions clubs in the Netherlands can be explained by the commercial background of service club members; there is enough evidence to support hypothesis H_{2b}: the higher the extent to which service club members with commercial background set up commercial activity within a particular service club, the higher the level of social entrepreneurialism within that club. However, the percentage of service club members with commercial background does negatively (!) predict the extent social of entrepreneurial projects in the adjusted model significantly (b = -0.121, p = .044). In line with the conclusions drawn in the previous chapter, the commercial background (expressed in a percentage of the members) itself is not a good predictor variable for both the extent of commercial activity as the extent of social entrepreneurialism; on contrary, the extent to which service club members with commercial background set up commercial activity is. So, the commercial background should be seen as a predictor in the context of commercial activity. Social entrepreneurialism among service clubs Rotary & Lions clubs in the Netherlands cannot be explained by the concepts of: reduced revenue volatility; increased competition for private contributions, donations and subsidies; entrepreneurial orientation and compassion. The respective hypotheses H_{3b}, H_{4b}, H_{6a} and H₇ were rejected. Not surprisingly, commercial activity significantly predicts the extent of social entrepreneurialism (b = .323, p = .029). This means: the higher the extent of commercial activity, the higher the extent of social entrepreneurial projects.

7. Conclusion

In sections 5.5 and 6.4 one can read some specific conclusions and the conclusions regarding the sub questions. In this chapter, I will draw some general conclusions regarding the main research question:

To what extent did local Rotary & Lions clubs in the Netherlands make us of commercial activity and set up social entrepreneurial projects in the period between 2010 up to 2015 and which variables explain these phenomena?

A majority of the service clubs in the Netherlands make use of commercial activity (in order to diversify their revenue streams); 156 out of the 241 respondents answered that their local service club made use of commercial activities in order to raise funds (for a service project) in the period 2010 – present. The use of commercial activities by local Rotary & Lions clubs in the Netherlands can be significantly explained by the commercial background of service club members; the higher the extent to which service club members with commercial background set up commercial activity within a particular service club, the higher the level of commercial activity within that club (dependent on the model: $b = 0.317$, $p < .001$; $b = 0.200$, $p = .002$). The use of commercial activities by local Rotary & Lions clubs in the Netherlands cannot be explained convincingly by reduced revenue volatility (the perceived level of income stability due to commercial activities); there is ambiguous evidence regarding the significance of this variable (dependent on the model: $b = 0.169$, $p = .001$; $b = 0.030$, $p = .518$). Moreover, the use of commercial activities by local Rotary & Lions clubs in the Netherlands cannot be significantly explained by increased competition for private contributions, donations and subsidies and the entrepreneurial orientation of service clubs. Finally, the use of commercial activities by local Rotary & Lions clubs in the Netherlands can be significantly explained by the percentage of income from commercial activities (adjusted model: $b = .194$, $p < .001$). Based on the answers given to an open question, the pursuit of fellowship, cooperation and involvement (taken together as the pursuit of social capital) can be considered as an important reason for the use of commercial activity. Note that this is not examined quantitatively.

94 out of 151 respondents (62.3%) indicated that their service club have set up (a) social entrepreneurial project(s). 67 respondents gave up a summary of their most successful social entrepreneurial project. There are a lot of projects that meet the social entrepreneurial criteria as mentioned in the theoretical model. Most of the service clubs act as real entrepreneurial organisations; they identify an opportunity to make money, invest in resources and take risk in order to make that money. The extent of social entrepreneurialism among service clubs Rotary & Lions clubs in the Netherlands can be significantly explained by the commercial background of service club members; the higher the extent to which service club members with commercial background set up commercial activity within a particular service club, the higher the level of social entrepreneurialism within that club (dependent on the model: $b = 0.318$, $p = .004$; $b = 0.223$, $p = .049$). The commercial background (expressed in a percentage of the members) itself is not a good predictor variable for both the extent of commercial activity as the extent of social entrepreneurialism; regarding the extent of social entrepreneurialism there is ambiguous evidence regarding the significance of this variable (dependent on the model: $b = -0.112$, $p = .066$; $b = -0.121$, $p = .044$). Social entrepreneurialism among service clubs Rotary & Lions clubs in the Netherlands cannot be explained by the concepts of: reduced revenue volatility; increased competition for private contributions,

donations and subsidies; entrepreneurial orientation and compassion. However, commercial activity significantly predicts the extent of social entrepreneurialism ($b = .323$, $p = .029$); the higher the extent of commercial activity, the higher the extent of social entrepreneurial projects.

Finally, it is noteworthy that service clubs that do make use of commercial activities do have a significant higher level of annual total revenue than the clubs that do not make use of commercial activities. The extent of social entrepreneurial projects significantly predicts the annual total revenue of service clubs ($b = 5824.00$, $p = .003$). So, the higher the extent of social entrepreneurial projects, the higher the annual total revenue of service clubs. Moreover, the extent of income stability due to the use of commercial activity significantly predicts the percentage of income from commercial activities ($b = .393$, $p = .011$), as well as the percentage of income from private contributions, donations and (government) subsidies ($b = -.194$, $p = .027$), albeit in a negative way.

7.1 Limitations and generalisability

Not every study is perfect, nor is this study. This section is helpful in order to place the results into perspective. First of all, it is useful to reflect on the validity and reliability of this study. Validity is about the extent to which the empirical measure reflects the concept it intended to measure; reliability is about whether a research technique continuously produces the same result (Babbie, 2007, p. 143-146). In this study, survey research is used in order to obtain data; survey research is generally weak on validity and strong on reliability (Babbie, 2007, p. 277). Indeed, it is questionable whether all respondents understood clearly what I meant with the questions and concepts in those questions. Although explained in the survey itself, I received several e-mails of respondents who wanted to know what I exactly meant with commercial activities. On contrary, there were hundreds of respondents who filled in the survey without questioning. The question remains whether those respondents did understand the concept of commercial activity. During the time that the survey was open for response, I also received several e-mails and reactions from respondents arguing that the profits resulting from the commercial activities are spent on charitable causes. Those respondents also indicated that many local service clubs do have a separate foundation with a so-called ANBI-status (in Dutch: Algemeen Nut Beoogende Instelling). This status means that these foundations are not allowed to make profit out of their activities; however, the foundations are allowed to make profit out of commercial activities if that profit benefits the common good. However, there is a risk that commercial activities are a threat for the ANBI-status; this is the case when, year after year, the activities result in profits. Then, the public interest is not served anymore, but the goal of the ANBI-foundation is the achievement of positive results (enterprise). So, in the light of this discussion, a critical comment on this study is the possibility that respondents were anxious to answer that their service club made use of commercial activities. Another question regarding the concept of validity is the extent to which the results are generalizable. I am convinced that the conclusions drawn (based on 241 respondents) are generalizable for those (638) Lions and Rotary clubs that did not fill in the survey. There are not Service clubs are, in general, equally large (30-40 members). So, this is not a variable that could disturb generalizability. However, this could be the annual total revenue c.q. annual budget. Hoolwerf & Schuyt (2010) mentioned that, on average, the 893 Rotary and Lions clubs in the Netherlands in 2007-2008, account for € 15.1 million; the club average is € 16.909,- per club. In this study, 231 clubs (10 non-respondents) account for € 4.288.650,-; the club average is €

18.566,-. The difference is € 1.647,-. Note this difference is not corrected for inflation (7 years). So, the conclusions drawn in this study are generalizable based on the annual total revenue c.q. annual budget of the service clubs.

Another item to be discussed in this section is the scale reliability of the extent of entrepreneurial orientation. The item of risk taking was not included into the entrepreneurial orientation scale, because it had a negative effect on the Cronbach's alpha. The entrepreneurial orientation scale which I used in this study consisted of two items: innovativeness and proactiveness, instead of the theoretical three items: innovativeness, proactiveness and risk-taking. A possible explanation for this is the risk-averse attitude of a lot of service clubs; they do not want to be identified with risk-taking taken into account the good cause for which they try to earn or raise money. I noticed in the answers to the open question that the service clubs try to manage the risks at forehand. However, risk management does not necessarily mean that all risks are eliminated.

8. Discussion

Now the conclusions are drawn in sections 5.5 and 6.4 and in the previous chapter, the following question remains: what does this mean practically and theoretically?

The fact that service clubs that do make use of commercial activities do have a significant higher level of annual total revenue than the clubs that do not make use of commercial activities implies that the use of commercial activity (compared to other revenue strategies like contributions/donations and subsidies) is a viable strategy for service clubs in order to broaden its impact for the common good. After all, service clubs are aimed at serving the common good. In addition, the extent of social entrepreneurial projects significantly predicts the annual total revenue of service clubs in a positive way; the higher the extent of social entrepreneurial projects compared to other activities, the higher the annual total revenue. So, social entrepreneurial projects (and commercial activities as a part of these projects) help service clubs to strengthen their financial and social impact.

The extent to which service club members with commercial background set up commercial activities (compared to other activities) significantly predicts the extent of commercial activity and the extent of social entrepreneurial projects both in a positive way. The percentage of service club members with commercial background itself is not a significant predictor of these dependent variables. However, in one (adjusted) model it is, albeit in a negative way. Given these facts, involvement of service club members with commercial background in setting up commercial activities is a key driver of the extent of commercial activities and the extent of social entrepreneurial projects. In its turn, the higher the extent of social entrepreneurial projects, the higher the annual total revenue of a service club. So, in order to attain a bigger financial and social impact in society, it is recommendable for service clubs to involve service club members with commercial background in setting up commercial activities as a part of a social entrepreneurial project. So, the skills and knowhow these members possess and deploy are of critical value. Service clubs once started as clubs that brought together businessmen for lunch. Now, it seems that the deployment of businessmen/women boosts the annual total revenue (indirectly), and thus the financial and social impact of service clubs.

Moreover, a remark has to be made regarding the variables that significantly predict each other. I did not run regression analyses with mediating variables, but some significant predictive relations (derived from different regression models) are noticeable and are worth it to be examined in the future. Income stability (i.e. the concept of reduced revenue volatility) is not a convincing predictor of the extent of commercial activities. However, it significantly predicts the percentage of income from commercial activities. The percentage of income from private contributions, donations and (government) subsidies also predicts the percentage of income from commercial activities, albeit in a negative way. In its turn, the percentage of income from commercial activities significantly predicts the extent of commercial activities. The extent to which commercial activities are set up by club members with a commercial background also significantly predicts the extent of commercial activities. Moreover, the extent of commercial activities significantly predicts the extent of social entrepreneurial projects, which in its turn, significantly predicts the annual total revenue of service clubs. So, it seems that there is a chain of mediating variables significantly predicting each other. I did not examine this mediating model, but it is a research opportunity.

The use of commercial activities by local Rotary & Lions clubs in the Netherlands cannot be significantly explained by reduced revenue volatility (ambiguous evidence), increased competition for private contributions, donations and subsidies and the entrepreneurial orientation of service clubs. Social entrepreneurialism among service clubs Rotary & Lions clubs in the Netherlands cannot be explained by the concepts of: reduced revenue volatility; increased competition for private contributions, donations and subsidies; entrepreneurial orientation and compassion.

Reduced revenue volatility indirectly (via the percentage of income from commercial activities) explains the extent of commercial activities. This means that the effect of using commercial activities, income stability (i.e. reduced revenue volatility), is acknowledged by service clubs as a driver for income out of commercial activities. So, the theoretical insight derived from Froelich (1999) is confirmed in this specific, non-governmental, context. This is not the case regarding the institutional point of view as suggested by Kerlin & Pollak (2011); they argued that an increased competition for government grants and private contributions/donations is the reason why commercial revenues in non-profit organisations have risen. This insight is not acknowledged by service clubs and thus not confirmed by this study. On contrary, the resource dependency point of view as suggested by Guo (2006) is not examined in this study, because Kerlin & Pollak (2011) wiped it of the table. Guo (2006) argued that an increase in commercial revenues in non-profit organisations is due to a decrease in government funding or private contributions/donations. Since this possible explanation has not been examined, it is a good research opportunity. Surprisingly, entrepreneurial orientation and compassion cannot explain the level of social entrepreneurialism of service clubs. Regarding entrepreneurial orientation, it could be the case that the original nine items (in order to measure entrepreneurial orientation) lead to another conclusion than the three overarching items (innovativeness, proactiveness and risk taking) that have been used in the questionnaire of this study. In other words, these three items could have been a 'quick and dirty' measurement of entrepreneurial orientation. So, a research opportunity is to examine the impact of the whole nine item entrepreneurial orientation scale instead of the three item scale that has been used in this study. Regarding compassion it should be mentioned that it is possible that respondents filled in social desirable answers. Nevertheless, the absence of a (positive causal) relation between compassion and the level of social entrepreneurialism of service clubs suggests that compassion is, contrary to what is argued by Miller et al. (2012), not of importance. Is this the unmasking of service clubs? Do service clubs really care about the disadvantaged people in society? Answers to these questions cannot be given yet since there is no evidence that selfish factors do explain the level of social entrepreneurialism of service clubs. However, it is an interesting research opportunity to examine further. A final research opportunity is to conduct additional qualitative research. This study is predominately based on quantitative data; limitations regarding this type of research have been outlined in section 7.1.

Regarding the theory of social entrepreneurship in a broad sense, this study shows that social entrepreneurship manifests itself not only in a social enterprise. This endorses Peredo & McLean (2006); they argued that a social entrepreneurial initiative can also occur within the structure of an existing organisation. So, other organisations, like service clubs that operate between markets and states (Goff, 2008), are also capable to act social entrepreneurial. Though, it should be mentioned that service club projects (i.e. funding and helping organisations) are often decoupled from the commercial activities. This is, in my opinion, not a reason to consider those service clubs as not social entrepreneurial since commercial activities are a precondition for funding and helping organisations

that address problems or social needs. So, a contribution to the theory of social entrepreneurship could be a distinction between social entrepreneurial projects that address social needs by the commercial activities themselves and projects that address social needs separate from the commercial activities, taken into account that those commercial activities are a precondition in order to be able to address those social needs at all.

Finally, it should be clear that this study, in aiming to answer one main research question, also raises new questions. Nevertheless, service clubs can take advantage of this study by:

- Setting up commercial activities in order to attain income stability; service clubs acknowledge this effect. After all, the revenue volatility of donations is higher than the revenue volatility of commercial activities.
- Involving service club members with a commercial background into commercial activities and social entrepreneurial projects since these activities and projects increase as the extent to which service club members with a commercial background set up commercial activities.
- Setting up social entrepreneurial projects (with commercial activities as part of these projects) in order to attain a bigger annual total revenue, and thus bigger financial and social impact in society.

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Appendices

Appendix I: top-twelve leading journals in the field of social entrepreneurship

1. Voluntas: International Journal of Voluntary and Nonprofit Organizations (6)
2. International Journal of Social Economics (6)
3. Journal of World Business (6)
4. Nonprofit Management and Leadership (5)
5. Journal of Business Ethics (5)
6. Harvard Business Review (5)
7. Business Strategy Review (5)
8. Entrepreneurship Theory and Practice (4)
9. Journal of Developmental Entrepreneurship (4)
10. Public Administration Review (4)
11. Nonprofit & Voluntary Sector Quarterly (4)
12. Stanford Social Innovation Review (4)

58 of the 152 articles (38%) found by Short et al. (2009) were published in these journals.

Appendix II: five leading journals in the field of non-profit research

1. Nonprofit and Voluntary Sector Quarterly
2. Nonprofit Management and Leadership
3. Voluntas: International Journal of Voluntary and Nonprofit Organizations
4. Journal of Nonprofit & Public Sector Marketing
5. International Journal of Nonprofit and Voluntary Sector Marketing

Appendix III: results literature search regarding the concept of social entrepreneurship (autumn 2014)

Social Entrepreneurship - relevant articles (2009-2014) identified by means of keyword search

Authors	Year	Journal	Title	Citations (Scopus)	Citations (Web of Science)	Citations (Google Scholar)
Van Ryzin, G. G., Grossman, S., DiPadova-Stocks, L., & Bergrud, E.	2009	Voluntas	Portrait of the Social Entrepreneur: Statistical Evidence from a US Panel	5	2	34
Sud, M., VanSandt, C. V., & Baugous, A. M.	2009	Journal of Business Ethics	Social Entrepreneurship: The Role of Institutions	29	13	83
VanSandt, C. V., Sud, M., & Marmé, C.	2009	Journal of Business Ethics	Enabling the Original Intent: Catalysts for Social Entrepreneurship	5	3	20
Murphy, P. J., & Coombes, S. M.	2009	Journal of Business Ethics	A Model of Social Entrepreneurial Discovery	28	18	89
Faminow, M. D., Carter, S. E., & Lundy, M.	2009	Journal of Developmental Entrepreneurship	Social entrepreneurship and learning: The case of the Central America learning alliance	0	0	3
Squazzoni, F.	2009	Nonprofit and Voluntary Sector Quarterly	Social Entrepreneurship and Economic Development in Silicon Valley A Case Study on The Joint Venture: Silicon Valley Network	5	5	17
Bagnoli, L., & Megali, C.	2009	Nonprofit and Voluntary Sector Quarterly	Measuring performance in social enterprises	19	12	62
Kerlin, J.A.	2010	Voluntas	A comparative analysis of the global emergence of social enterprise	17	8	68

Dhesi, A.S.	2010	International Journal of Social Economics	Diaspora, social entrepreneurs and community development	0	0	10
Helm, S.T. & Andersson, F.O.	2010	Nonprofit Management and Leadership	Beyond Taxonomy	0	3	23
Nga, J. K. H., & Shamuganathan, G.	2010	Journal of Business Ethics	The Influence of Personality Traits and Demographic Factors on Social Entrepreneurship Start Up Intentions	19	15	65
Thompson, J. D., & MacMillan, I. C.	2010	Harvard Business Review	Making Social Ventures Work	2	0	10
Nicholls, A.	2010	Entrepreneurship Theory and Practice	The Legitimacy of Social Entrepreneurship: Reflexive Isomorphism in a Pre-Paradigmatic Field	63	32	185
Corner, P. D., & Ho, M.	2010	Entrepreneurship Theory and Practice	How Opportunities Develop in Social Entrepreneurship	24	15	101
Kistruck, G. M., & Beamish, P. W.	2010	Entrepreneurship Theory and Practice	The Interplay of Form, Structure, and Embeddedness in Social Intrapreneurship	20	16	53
Meyskens, M., Robb-Post, C., Stamp, J. A., Carsrud, A. L., & Reynolds, P. D.	2010	Entrepreneurship Theory and Practice	Social Ventures from a Resource-Based Perspective: An Exploratory Study Assessing Global Ashoka Fellows	20	14	74
Di Domenico, M., Haugh, H., & Tracey, P.	2010	Entrepreneurship Theory and Practice	Social Bricolage: Theorizing Social Value Creation in Social Enterprises	35	20	153
Miller, T. L., Wesley II, C.L.	2010	Entrepreneurship Theory and Practice	Assessing Mission and Resources for Social Change: An Organizational Identity Perspective on Social Venture Capitalists' Decision Criteria	16	12	37
Witkamp, M. J., Royackers, L. M., & Raven, R. P.	2011	Voluntas	From cowboys to diplomats: Challenges for social entrepreneurship in the Netherlands	5	2	10
Marshall, R.S.	2011	Journal of Business Ethics	Conceptualizing the International For-Profit Social Entrepreneur	7	2	25

Prokesch, S.	2011	Harvard Business Review	The Reluctant Social Entrepreneur	0	0	1
Moss, T. W., Short, J. C., Payne, G. T., & Lumpkin, G. T.	2011	Entrepreneurship Theory and Practice	Dual Identities in Social Ventures: An Exploratory Study	15	10	51
Katzenstein, J., & Chrispin, B. R.	2011	Journal of Developmental Entrepreneurship	Social entrepreneurship and a new model for international development in the 21st century	3	0	9
Herranz, J., Council, L. R., & McKay, B.	2011	Nonprofit and Voluntary Sector Quarterly	Tri-Value Organization as a Form of Social Enterprise The Case of Seattle's FareStart	3	3	12
Mirabella, R. & Young, D.R.	2012	Nonprofit Management and Leadership	The development of education for social entrepreneurship and nonprofit management: Diverging or converging paths?	0	1	5
Pless, N.M.	2012	Journal of Business Ethics	Social Entrepreneurship in Theory and Practice—An Introduction	2	1	10
Santos, F.M.	2012	Journal of Business Ethics	A Positive Theory of Social Entrepreneurship	9	2	136
Montgomery, A. W., Dacin, P. A., & Dacin, M. T.	2012	Journal of Business Ethics	Collective Social Entrepreneurship: Collaboratively Shaping Social Good	3	1	13
Dees, J.G.	2012	Journal of Business Ethics	A Tale of Two Cultures: Charity, Problem Solving, and the Future of Social Entrepreneurship	3	1	10
Mair, J., Battilana, J., & Cardenas, J.	2012	Journal of Business Ethics	Organizing for Society: A Typology of Social Entrepreneurial Models	4	3	19
Maak, T. & Stoetter, N.	2012	Journal of Business Ethics	Social Entrepreneurs as Responsible Leaders: 'Fundacio'n Paraguaya' and the Case of Martin Burt	1	1	3
Bugg-Levine, A., Kogut, B., & Kulatilaka, N.	2012	Harvard Business Review	A new approach to funding social enterprises	3	0	14
Crainer, S.	2012	Business Strategy Review	Social Enterprise: The Quiet Revolution	0	0	0

Walker, J.	2012	Business Strategy Review	Social Financing	0	0	0
Desa, G.	2012	Entrepreneurship Theory and Practice	Resource Mobilization in International Social Entrepreneurship: Bricolage as a Mechanism of Institutional Transformation	6	5	32
Datta, P. B., & Gailey, R.	2012	Entrepreneurship Theory and Practice	Empowering women through social entrepreneurship: Case study of a women's cooperative in India.	6	4	22
Katre, A., & Salipante, P.	2012	Entrepreneurship Theory and Practice	Start-Up Social Ventures: Blending Fine-Grained Behaviors From Two Institutions for Entrepreneurial Success	1	2	5
Williams, C. C., & Nadin, S.	2012	Journal of Developmental Entrepreneurship	Beyond the Commercial Versus Social Entrepreneurship Dichotomy: A Case Study of Informal Entrepreneurs	0	0	1
Liu, G., & Ko, W. W.	2012	Nonprofit and Voluntary Sector Quarterly	Organizational learning and marketing capability development: a study of the charity retailing operations of British social enterprise	1	1	10
Achleitner, A. K., Lutz, E., Mayer, J., & Spiess-Knafl, W.	2013	Voluntas	Disentangling Gut Feeling: Assessing the Integrity of Social Entrepreneurs	0	0	9
Jäger, U. P., & Schröer, A.	2013	Voluntas	Integrated Organizational Identity: A Definition of Hybrid Organizations and a Research Agenda	0	0	3
Young, D. R., & Lecy, J. D.	2013	Voluntas	Defining the universe of social enterprise: Competing metaphors	0	0	4
Gawell, M.	2013	Voluntas	Social entrepreneurship: action grounded in needs, opportunities and/or perceived necessities?	0	0	8
Rhodes, M. L., & Donnelly-Cox, G.	2013	Voluntas	Hybridity and Social Entrepreneurship in Social Housing in Ireland	0	0	0
Blessing, A.	2013	Voluntas	Public, Private, or In-Between? The Legitimacy of Social Enterprises in the Housing Market	0	0	0

Agafonow, A.	2013	Journal of Business Ethics	Toward A Positive Theory of Social Entrepreneurship. On Maximizing Versus Satisficing Value Capture	0	0	0
Miles, M. P., Verreyne, M. L., & Luke, B.	2013	Journal of Business Ethics	Social enterprises and the performance advantages of a Vincentian marketing orientation	0	0	0
Estrin, S., Mickiewicz, T., & Stephan, U.	2013	Entrepreneurship Theory and Practice	Entrepreneurship, Social Capital, and Institutions: Social and Commercial Entrepreneurship Across Nations	2	2	10
Renko, M.	2013	Entrepreneurship Theory and Practice	Early challenges of nascent social entrepreneurs	2	2	10
Liu, G., Eng, T. Y., & Takeda, S.	2013	Entrepreneurship Theory and Practice	An Investigation of Marketing Capabilities and Social Enterprise Performance in the UK and Japan	0	0	1
Anderson, S. E., Coffey, B. S., & Dixon-Fowler, H.	2013	Entrepreneurship Theory and Practice	The Empty Bowls Project: Creating, Leading, and Sustaining a Social Enterprise	0	0	0
Sundaramurthy, C., Musteen, M., & Randel, A. E.	2013	Journal of Developmental Entrepreneurship	Social Value Creation: A Qualitative Study Of Indian Social Entrepreneurs.	0	0	0
Frumkin, P.	2013	Public Administration Review	Between Nonprofit Management and Social Entrepreneurship	0	0	1
Grohs, S., Schneiders, K., & Heinze, R. G.	2013	Nonprofit and Voluntary Sector Quarterly	Social Entrepreneurship Versus Intrapreneurship the German Social Welfare State: A Study of Old-Age Care and Youth Welfare Services.	0	0	3
Kerlin, J. A.	2013	Nonprofit and Voluntary Sector Quarterly	Defining social enterprise across different contexts: A conceptual framework based on institutional factors	0	0	15

Ohana, M., Meyer, M., & Swaton, S.	2013	Nonprofit and Voluntary Sector Quarterly	Decision-Making in Social Enterprises: Exploring the Link Between Employee Participation and Organizational Commitment.	0	0	0
Galvin, M. D., & Iannotti, L.	2014	Voluntas	Social Enterprise and Development: The KickStart Model.	0	0	0
Arena, M., Azzone, G., & Bengo, I.	2014	Voluntas	Performance Measurement for Social Enterprises.	0	0	0
Manetti, G.	2014	Voluntas	The Role of Blended Value Accounting in the Evaluation of Socio-Economic Impact of Social Enterprises	0	0	3
Roy, M.J., McHugh, N., Huckfield, L., Kay, A. & Donaldson, C.	2014	Voluntas	“The Most Supportive Environment in the World”? Tracing the Development of an Institutional ‘Ecosystem’ for Social Enterprise	0	0	0
Zahra, S. A., Newey, L. R., & Li, Y.	2014	Entrepreneurship Theory and Practice	On the Frontiers: The Implications of Social Entrepreneurship for International Entrepreneurship	1	0	3
Stevens, R., Moray, N., & Bruneel, J.	2014	Entrepreneurship Theory and Practice	The Social and Economic Mission of Social Enterprises: Dimensions, Measurement, Validation, and Relation	0	0	1
Beckmann, M., & Zeyen, A.	2014	Nonprofit and Voluntary Sector Quarterly	Franchising as a Strategy for Combining Small and Large Group Advantages (Logics) in Social Entrepreneurship A Hayekian Perspective.	0	0	3
Liu, G., Takeda, S., & Ko, W. W.	2014	Nonprofit and Voluntary Sector Quarterly	Strategic Orientation and Social Enterprise Performance	0	0	2

Social Entrepreneurship - relevant articles identified by means of backward search

Authors	Cited by	Year	Journal	Title	Citations (Scopus)	Citations (Web of Science)	Citations (Google Scholar)
Waddock, S. A., & Post, J. E.	Short et al. (2009)	1991	Public Administration Review	Social entrepreneurs and catalytic change	0	57	243
Dees, J. G., & Elias, J.	Short et al. (2009)	1998	Business Ethics Quarterly	The challenges of combining social and commercial enterprise.	0	16	75
Wallace, S. L.	Short et al. (2009)	1999	Journal of developmental entrepreneurship	Social entrepreneurship: The role of social purpose enterprises in facilitating community economic development	0	28	134
Thompson, J., Alvy, G., & Lees, A.	Short et al. (2009); Nga & Shamuganathan (2010)	2000	Management Decision	Social entrepreneurship—a new look at the people and the potential	0	70	382
Thompson, J. L.	Short et al. (2009); Nga & Shamuganathan (2010)	2002	International Journal of Public Sector Management	The world of the social entrepreneur	119	74	399
Sullivan Mort, G., Weerawardena, J., & Carnegie, K.	Short et al. (2009); Corner & Ho (2010); Moss et al. (2011); Nga & Shamuganathan (2010)	2003	International journal of nonprofit and voluntary sector marketing	Social entrepreneurship: Towards conceptualisation	0	77	116

Lasprogata, G. A., & Cotten, M. N.	Short et al. (2009)	2003	American Business Law Journal	Contemplating “enterprise”: The business and legal challenges of social entrepreneurship	20	18	81
Alvord, S. H., Brown, L. D., & Letts, C. W.	Short et al. (2009); Nicholls (2010); Moss et al. (2011)	2004	The journal of applied behavioral science	Social Entrepreneurship and Societal Transformation. An Exploratory Study.	0	99	585
Dart, R.	Short et al. (2009); Nicholls (2010); Di Domenico et al. (2010); Moss et al. (2011); Sud et al. (2009)	2004	Nonprofit Management and Leadership	The legitimacy of social enterprise	0	93	455
Harding, R.	Short et al. (2009)	2004	Business Strategy Review	Social enterprise: the new economic engine?	0	18	134
Seelos, C., & Mair, J.	Short et al. (2009); Santos (2012)	2005	Business Horizons	Social entrepreneurship: Creating new business models to serve the poor	111	80	318
Hemmingway, C.A.	Short et al. (2009)	2005	Journal of Business Ethics	Personal values as a catalyst for corporate social entrepreneurship	75	55	212

Austin, J., Stevenson, H., & Wei-Skillern, J.	Short et al. (2009); Santos (2012); Di Domenico et al. (2010); Corner & Ho (2010); Murphy & Coombes (2009); Meyskens et al. (2010); Moss et al. (2011); Nga & Shamuganathan (2010)	2006	Entrepreneurship Theory and Practice	Social and Commercial Entrepreneurship: Same, Different, or Both?	307	222	991
Mair, J., & Marti, I.	Short et al. (2009); Santos (2012); Corner & Ho (2010); Murphy & Coombes (2009); Meyskens et al. (2010); Moss et al. (2011)	2006	Journal of World Business	Social entrepreneurship research: A source of explanation, prediction, and delight	283	207	941
Peredo, A. M., & McLean, M.	Short et al. (2009); Nicholls (2010); Di Domenico et al. (2010); Corner & Ho (2010); Moss et al. (2011)	2006	Journal of World Business	Social entrepreneurship: A critical review of the concept	154	119	594
Weerawardena, J., & Mort, G. S.	Short et al. (2009); Nicholls (2010); Corner & Ho (2010)	2006	Journal of World Business	Investigating social entrepreneurship: A multidimensional model	130	86	421
Kerlin, J.A.	Kerlin (2010)	2006	Voluntas	Social enterprise in the United States and Europe: understanding and learning from the differences	61	18	313

Sharir, M., & Lerner, M.	Short et al. (2009); Moss et al. (2011)	2006	Journal of World Business	Gauging the success of social ventures initiated by individual social entrepreneurs	78	58	253
Spear, R.	Short et al. (2009)	2006	International journal of social economics	Social entrepreneurship: a different model?	45	34	157
Thompson, J., & Doherty, B.	Short et al. (2009); Moss et al. (2011)	2006	International journal of social economics	The diverse world of social enterprise: A collection of social enterprise stories	44	23	145
Dorado, S.	Short et al. (2009); Corner & Ho (2010); Moss et al. (2011)	2006	Journal of developmental entrepreneurship	Social entrepreneurial ventures: different values so different process of creation, no?	0	36	144
Christie, M. J., & Honig, B.	Short et al. (2009)	2006	Journal of World Business	Social entrepreneurship: New research findings	31	22	92
Korosec, R. L., & Berman, E. M.	Short et al. (2009)	2006	Public Administration Review	Municipal support for social entrepreneurship	29	19	87
Low, C.	Short et al. (2009); Moss et al. (2011)	2006	International journal of social economics	A framework for the governance of social enterprise	23	17	92
Martin, R. L., & Osberg, S.	Short et al. (2009); Santos (2012)	2007	Stanford Social Innovation Review	Social entrepreneurship: The case for definition	0	16	522
Chell, E.	Short et al. (2009); Moss et al. (2011)	2007	International small business journal	Social enterprise and entrepreneurship towards a convergent theory of the entrepreneurial process	93	69	273

Baron, D. P.	Short et al. (2009)	2007	Journal of Economics & Management Strategy	Corporate social responsibility and social entrepreneurship	54	50	237
Shaw, E., & Carter, S.	Short et al. (2009); Nicholls (2010); Corner & Ho (2010); Nga & Shamuganathan (2010)	2007	Journal of small business and enterprise development	Social entrepreneurship: Theoretical antecedents and empirical analysis of entrepreneurial processes and outcomes	66	43	203
Tracey, P., & Phillips, N.	Short et al. (2009); Murphy & Coombes (2009); Moss et al. (2011)	2007	Academy of Management Learning & Education	The distinctive challenge of educating social entrepreneurs: A postscript and rejoinder to the special issue on entrepreneurship education	50	37	123
Tracey, P., & Jarvis, O.	Short et al. (2009); Meyskens et al. (2010)	2007	Entrepreneurship Theory and Practice	Toward a theory of social venture franchising	40	37	129
Haugh, H.	Short et al. (2009); Moss et al. (2011)	2007	Entrepreneurship Theory and Practice	Community-led social venture creation	42	31	124
Dees, J. G.	Short et al. (2009); Corner & Ho (2010); Nga & Shamuganathan (2010)	2007	Society	Taking social entrepreneurship seriously	34	19	124
Certo, S. T., & Miller, T.	Short et al. (2009); Santos (2012);	2008	Business Horizons	Social entrepreneurship: Key issues and concepts	33	22	148

Cornelius, N., Todres, M., Janjuha-Jivraj, S., Woods, A., & Wallace, J.	Short et al. (2009)	2008	Journal of Business Ethics	Corporate social responsibility and the social enterprise	34	24	141
Parkinson, C., & Howorth, C.	Short et al. (2009); Moss et al. (2011)	2008	Entrepreneurship and Regional Development	The language of social entrepreneurs	40	26	115
Zahra, S. A., Rawhouser, H. N., Bhawe, N., Neubaum, D. O., & Hayton, J. C.	Short et al. (2009); Santos (2012)	2008	Strategic Entrepreneurship Journal	Globalization of social entrepreneurship opportunities	0	26	117
Zahra, S. A., Gedajlovic, E., Neubaum, D. O., & Shulman, J. M.	Santos (2012); Meyskens et al. (2010)	2009	Journal of Business Venturing	A typology of social entrepreneurs: Motives, search processes and ethical challenges	146	91	436
Dacin, P. A., Dacin, M. T., & Matear, M.	Santos (2012)	2010	Academy of Management Perspectives	Social entrepreneurship: why we don't need a new theory and how we move forward from here	82	50	258

Social Entrepreneurship - relevant articles identified by means of forward search

Authors	Citing	Year	Journal	Title	Citations (Scopus)	Citations (Web of Science)	Citations (Google Scholar)
Townsend, D. M., & Hart, T. A.	Austin et al. (2006)	2008	Entrepreneurship Theory & Practice	Perceived institutional ambiguity and the choice of organizational form in social entrepreneurial ventures	31	18	99
Neck, H., Brush, C., & Allen, E.	Austin et al. (2006)	2009	Business Horizons	The landscape of social entrepreneurship	21	21	85
Dempsey, S. E., & Sanders, M. L.	Peredo & McLean (2006)	2010	Organization	Meaningful work? Nonprofit marketization and work/life imbalance in popular autobiographies of social entrepreneurship	19	16	42
Dacin, M. T., Dacin, P. A., & Tracey, P.	Short et al. (2009)	2011	Organization Science	Social entrepreneurship: A critique and future directions	33	18	123

Appendix IV: results literature search regarding the concept of non-profit funding (autumn 2014)

Non-profit Funding - relevant articles identified by means of keyword search

Authors	Year	Journal	Title	Citations (Scopus)	Citations (Web of Science)	Citations (Google Scholar)
Gronbjerg, K. A.	1991	Nonprofit Management and Leadership	How nonprofit human service organizations manage their funding sources: key findings and policy implications	21	14	50
Chang, C. F., & Tuckman, H. P.	1994	Voluntas	Revenue diversification among non-profits	32	0	84
Miller, L. E., Kruger, E. J., & Gauss, M. S	1994	Nonprofit Management and Leadership	Nonprofit boards and perceptions of funding	3	4	8
Froelich, K. A.	1999	Nonprofit and Voluntary Sector Quarterly	Diversification of revenue strategies: Evolving resource dependence in nonprofit organizations	114	86	325
Palmer, P., Wise, D., & Penney, D.	1999	International Journal of Nonprofit and Voluntary Sector Marketing	Selling goods and services by charities: a clearer view of an emerging picture	0	0	3
Herman, R. D., & Rendina, D.	2001	Voluntas	Donor reactions to commercial activities of nonprofit organizations: an American case study.	7	0	24
Wagner, L	2002	International Journal of Nonprofit and Voluntary Sector Marketing	The 'new' donor: creation or evolution?	0	0	34

Bothwell, R. O.	2002	International Journal of Nonprofit and Voluntary Sector Marketing	Foundation funding of grassroots organisations	0	0	6
Higgins, J. W., & Lauzon, L.	2003	International Journal of Nonprofit and Voluntary Sector Marketing	Finding the funds in fun runs: Exploring physical activity events as fundraising tools in the nonprofit sector	0	0	43
Hodge, M.M. & Piccolo, R.F.	2005	Nonprofit Management and Leadership	Funding source, board involvement techniques, and financial vulnerability in nonprofit organizations: A test of resource dependence	0	0	82
Ebaugh, H. R., Chafetz, J. S., & Pipes, P.	2005	Nonprofit and Voluntary Sector Quarterly	Funding good works: Funding sources of faith-based social service coalitions	15	11	41
Pepin, J.	2005	International Journal of Nonprofit and Voluntary Sector Marketing	Venture capitalists and entrepreneurs become venture philanthropists	0	0	40
Foster, M. K., & Meinhard, A. G.	2005	Nonprofit Management and Leadership	Diversifying revenue sources in Canada: Are women's voluntary organizations different?	0	0	14
Guo, B.	2006	Nonprofit and Voluntary Sector Quarterly	Charity for profit? Exploring factors associated with the commercialization of human service nonprofits	27	23	82
Van Slyke, D. M., & Newman, H. K.	2006	Nonprofit Management and Leadership	Venture philanthropy and social entrepreneurship in community redevelopment	0	0	62

Shaw, S., & Allen, J. B.	2006	Voluntas	“We Actually Trust the Community:” Examining the dynamics of a nonprofit funding relationship in New Zealand	8	0	26
Toepler, S.	2006	Voluntas	Caveat Venditor? Museum merchandising, nonprofit commercialization, and the case of the metropolitan museum in New York	8	0	23
Lazarevski, K., Irvine, H., & Dolnicar, S	2008	Journal of Nonprofit & Public Sector Marketing	The effect of funding changes on public sector nonprofit organizations: The case of Bushcare NSW	3	0	6
Eikenberry, A. M.	2009	Nonprofit and Voluntary Sector Quarterly	Refusing the market: a democratic discourse for voluntary and nonprofit organizations	26	24	65
McGee, S., & Donoghue, F.	2009	Journal of Nonprofit & Public Sector Marketing	The conundrum of fundraising in nonprofit organizations: a story from Ireland	0	0	10
Fischer, R. L., Wilsker, A., & Young, D. R.	2011	Nonprofit and Voluntary Sector Quarterly	Exploring the revenue mix of nonprofit organizations: Does it relate to publicness?	13	6	39
Cooney, K.	2011	Nonprofit and Voluntary Sector Quarterly	An exploratory study of social purpose business models in the United States.	8	9	24
Herranz, J., Council, L. R., & McKay, B.	2011	Nonprofit and Voluntary Sector Quarterly	Tri-Value Organization as a Form of Social Enterprise The Case of Seattle’s FareStart	3	3	12
McKay, S., Moro, D., Teasdale, S., & Clifford, D.	2011	Voluntas	The marketisation of charities in England and Wales	0	0	6

Brady, E., Brace-Govan, J., Brennan, L., & Conduit, J.	2011	International Journal of Nonprofit and Voluntary Sector Marketing	Market orientation and marketing in nonprofit organizations. Indications for fundraising from Victoria.	0	0	6
Betzler, D., & Gmür, M.	2012	International Journal of Nonprofit and Voluntary Sector Marketing	Towards fund-raising excellence in museums—linking governance with performance	0	0	3
Khieng, S.	2013	Voluntas	Funding Mobilization Strategies of Nongovernmental Organizations in Cambodia	0	0	2
Saunders, S. G.	2013	International Journal of Nonprofit and Voluntary Sector Marketing	The diversification of charities: from religion-oriented to for-profit-oriented fundraising	0	0	0
Kearns, K. P., Bell, D., Deem, B., & McShane, L.	2014	Nonprofit and Voluntary Sector Quarterly	How Nonprofit Leaders Evaluate Funding Sources: An Exploratory Study of Nonprofit Leaders.	0	0	2
Khieng, S., & Dahles, H.	2014	Voluntas	Resource Dependence and Effects of Funding Diversification Strategies Among NGOs in Cambodia	0	0	0
Feiler, S., Wicker, P., & Breuer, C.	2014	Voluntas	How to Raise Voluntary Giving for Nonprofit Sports Clubs: An Analysis of Factors Influencing Donations	0	0	0

Non-profit Funding - relevant articles identified by means of backward search

Authors	Cited by	Year	Journal	Title	Citations (Scopus)	Citations (Web of Science)	Citations (Google Scholar)
Adams, C., & Perlmutter, F.	Froelich (1999); Guo (2006); Cooney (2011)	1991	Nonprofit and Voluntary Sector Quarterly	Commercial venturing and the transformation of America's voluntary social welfare agencies	0	17	63
Salamon, L. M.	Guo (2006)	1993	The Social Service Review	The marketization of welfare: Changing nonprofit and for-profit roles in the American welfare state	0	54	216
Tuckman, H.P.	Herranz et al. (2011)	1998	Journal of Policy Analysis and Management	Competition, commercialization, and the evolution of nonprofit organizational structures	49	37	177
Cordes, J. J., & Weisbrod, B. A.	Guo (2006); Herranz et al. (2011)	1998	Journal of Policy Analysis and Management	Differential taxation of nonprofits and the commercialization of nonprofit revenues	29	23	79
Young, D. R.	Froelich (1999)	1998	Journal of Policy Analysis and Management	Commercialism in nonprofit social service associations: Its character, significance, and rationale	16	14	86
Alexander, J., Nank, R., & Stivers, C.	Ebaugh et al. (2005); Eikenberry (2009)	1999	Nonprofit and Voluntary Sector Quarterly	Implications of welfare reform: Do nonprofit survival strategies threaten civil society?	84	70	178
Eikenberry, A. M., & Kluver, J. D.	Eikenberry (2009); Herranz et al. (2011)	2004	Public administration review	The marketization of the nonprofit sector: civil society at risk?	161	126	477

Foster, W., & Bradach, J.	Eikenberry (2009); Herranz et al. (2011)	2005	Harvard business Review	Should nonprofit seek profits	61	53	243
Nickel, P. M., & Eikenberry, A. M.	Eikenberry (2009)	2009	American Behavioral Scientist	A critique of the discourse of marketized philanthropy	35	24	73

Non-profit Funding - relevant articles identified by means of forward search

Authors	Citing	Year	Journal	Title	Citations (Scopus)	Citations (Web of Science)	Citations (Google Scholar)
Foster, M. K., & Meinhard, A. G.	Froelich (1999)	2002	Canadian Journal of Administrative Sciences	A contingency view of the responses of voluntary social service organizations in Ontario to government cutbacks	13	11	31
Chetkovich, C., & Frumkin, P.	Tuckman (1998)	2003	Administration & Society	Balancing margin and mission - Nonprofit competition in charitable versus fee-based programs	31	17	79
Lyons, M., & Zappala, G.	Guo (2006)	2006	Australian Journal of Social Issues	Factors associated with fundraising dependency among nonprofit organisations in Australia	2	2	12
Carroll, D. A., & Stater, K. J	Froelich (1999)	2009	Journal of Public Administration Research and Theory	Revenue Diversification in nonprofit organizations: does it lead to financial stability?	40	22	115
Kerlin, J. A., & Pollak, T. H.	Guo (2006); Eikenberry & Kluver (2004)	2011	The American Review of Public Administration	Nonprofit Commercial Revenue A Replacement for Declining Government Grants and Private Contributions?	4	4	35
Mayer, W. J., Wang, H. C., Egginton, J. F., & Flint, H. S.	Fischer et al. (2011)	2014	Nonprofit and Voluntary Sector Quarterly	The impact of revenue diversification on expected revenue and volatility for nonprofit organizations	0	0	4

Appendix V: results literature search regarding the concept of service clubs (autumn 2014)

Service clubs - relevant articles identified by means of keyword search

Authors	Year	Journal	Title	Citations (Scopus)	Citations (Web of Science)	Citations (Google Scholar)
Kou, X., Hayat, A. D., Mesch, D. J., & Osili, U. O.	2014	Nonprofit and Voluntary Sector Quarterly	The Global Dynamics of Gender and Philanthropy in Membership Associations: A Study of Charitable Giving by Lions Clubs International Members	0	0	1
Tschirhart, M., & Gazley, B.	2014	Nonprofit and Voluntary Sector Quarterly	Advancing Scholarship on Membership Associations: New Research and Next Steps	0	0	0
Eikenberry, A. M.	2006	Nonprofit and Voluntary Sector Quarterly	Giving circles: Growing grassroots philanthropy	9	9	30

Service clubs - relevant articles identified by means of backward search

Authors	Cited by	Year	Journal	Title	Citations (Scopus)	Citations (Web of Science)	Citations (Google Scholar)
Gordon, C. W., & Babchuk, N.	Tschirhart & Gazley (2014)	1959	American Sociological Review	A typology of voluntary associations	0	111	279
Putney, C.	Kou et al. (2014)	1993	The Journal of Popular Culture	Service Over Secrecy: How Lodge-Style Fraternalism Yielded Popularity to Men's Service Clubs	0	9	17
Wikle, T. A.	Kou et al. (2014)	1999	Journal of American Culture	International Expansion of the American-Style Service Club	0	1	7
Goff, B. M.	Kou et al. (2014)	2008	Dissertation - Ann Arbor: University of Michigan	The heartland abroad: The rotary club's mission of civic internationalism	0	2	2
Hoolwerf, B. & Schuyt, T.	Tschirhart & Gazley (2014)	2010	Working paper - Amsterdam, The Netherlands: VU University Amsterdam	Service clubs: Serving communities? Data from a national research	0	2	2

Service clubs - relevant articles identified by means of forward search

Authors	Citing	Year	Journal	Title	Citations (Scopus)	Citations (Web of Science)	Citations (Google Scholar)
Gamm, G., & Putnam, R. D.	Putney (1993)	1999	Journal of Interdisciplinary History	The growth of voluntary associations in America, 1840–1940	63	54	160
Cousin, B., & Chauvin, S.	Goff (2008)	2014	Ethnic and Racial Studies	Globalizing forms of elite sociability: varieties of cosmopolitanism in Paris social clubs	0	0	0
Wikle, T. A.	-	1997	Journal of Cultural Geography	Those Benevolent Boosters: Spatial Patterns of Kiwanis Membership in the United States	0	0	4

Appendix VI: Survey questionnaire (Dutch)

Toelichting

Mijn naam is Arjen Maathuis, master-student bedrijfskunde aan de Universiteit Twente. Momenteel doe ik onderzoek naar de relatie tussen service clubs en sociaal ondernemerschap.

Service clubs worden vaak geassocieerd met het goede doel / liefdadigheid. Het doel van mijn onderzoek (master-thesis) is om te ontdekken of lokale service clubs gebruik maken van commerciële activiteiten. Zo ja, in welke mate dat gebeurt en wat daarvan de oorzaken zijn. Bovendien is het doel om te ontdekken of commerciële projecten, ondernomen door lokale service clubs, kunnen worden gekarakteriseerd als sociaal ondernemerschap. Commercieel kan in deze context worden gekarakteriseerd als 'op handel gericht'; Een product of dienst verkopen tegen een prijs wordt hieronder verstaan. Je hebt dus fundraising waar niets tegen over staat, maar je hebt ook fundraising d.m.v. commerciële activiteiten (bijv. flessen wijn inkopen en verkopen, om vervolgens de winst te gebruiken voor een project).

Deze enquête is verspreid onder de besturen van lokale service clubs van Lions en Rotary in Nederland. Het verzoek is om bij voorkeur de penningmeester van uw club de enquête in te laten vullen.

Onderzoekperiode: 2010 – heden. Deze enquête vormt de basis voor vervolgonderzoek. Aan het eind van de enquête wordt u gevraagd aan te geven of u bereid bent mee te werken aan een interview. Zo ja, dan is de daadwerkelijke doorgang van het interview afhankelijk van selectie.

Mijn onderzoek wordt begeleid door Dr. Michel Ehrenhard (assistent-professor aan de Universiteit Twente / m.l.ehrenhard@utwente.nl). Uw ingevulde gegevens worden vertrouwelijk behandeld en geanonimiseerd verwerkt.

Begin enquête

Uw naam*:	
Uw lokale club*:	
Uw functie*:	

1. Heeft uw lokale service club, in de periode 2010 – heden, wel eens gebruik gemaakt van commerciële activiteiten om fondsen te werven (ten behoeve van een serviceproject)?

- Ja (ga door met vraag 2 e.v.)
 Nee (einde enquête)

2. In welke mate heeft uw lokale service club, in de periode 2010 – heden, gebruik gemaakt van commerciële activiteiten om fondsen te werven (ten behoeve van een serviceproject)?

Geen enkele mate	Zeer kleine mate	Kleine mate	Redelijke mate	Grote mate	Zeer grote mate	Volledige mate
<input type="checkbox"/>						

3. Maakte uw lokale service club vóór 2010 meer of minder gebruik van commerciële activiteiten om fondsen te werven (ten behoeve van een serviceproject)?

- Meer
 Gelijk
 Minder

 Geen idee

4. Hoeveel bedraagt, bij benadering, het percentage inkomsten uit commerciële activiteiten ten opzichte van het totaal aan inkomsten van uw service club?

- 0 – 10 % 50 – 60 %
 10 – 20 % 60 – 70 %
 20 – 30 % 70 – 80 %
 30 – 40 % 80 – 90 %
 40 – 50 % 90 – 100 %

5. Wat is, bij benadering, het jaarlijkse (gemiddelde) totaal aan inkomsten van uw service club in euro's?

6. Hoeveel bedraagt, bij benadering, het percentage clubleden dat zich bemoeit heeft met het opzetten van commerciële activiteiten ten opzichte van het totaal aantal clubleden?

- 0 – 10 % 50 – 60 %
 10 – 20 % 60 – 70 %
 20 – 30 % 70 – 80 %
 30 – 40 % 80 – 90 %
 40 – 50 % 90 – 100 %

7. In welke mate werden c.q. worden commerciële activiteiten bedacht dan wel opgezet door clubleden die in hun dagelijks leven een **commerciële achtergrond/professie** hebben?

Geen enkele mate	Zeer kleine mate	Kleine mate	Redelijke mate	Grote mate	Zeer grote mate	Volledige mate
<input type="checkbox"/>						

8. Hoeveel bedraagt, bij benadering, het percentage clubleden met een commerciële achtergrond/professie ten opzichte van het totaal aantal clubleden?

- 0 – 10 % 50 – 60 %
 10 – 20 % 60 – 70 %
 20 – 30 % 70 – 80 %
 30 – 40 % 80 – 90 %
 40 – 50 % 90 – 100 %

9. In welke mate worden commerciële activiteiten, als instrument om fondsen te werven, gebruikt om te zorgen voor **inkomenstablieit** binnen uw lokale serviceclub?

Geen enkele mate	Zeer kleine mate	Kleine mate	Redelijke mate	Grote mate	Zeer grote mate	Volledige mate
<input type="checkbox"/>						

10. Zorgen uw inkomsten uit commerciële activiteiten ervoor dat uw service club meer controle heeft over de besteding van de inkomsten dan wanneer u geen inkomsten verwierf uit commerciële activiteiten maar wel uit contributies, donaties en (overheid)subsidies?

- Ja
 Nee
 Geen idee

11. In welke mate worden commerciële activiteiten, als instrument om fondsen te werven, door uw service club gebruikt omdat ze een alternatief vormen voor **de toegenomen concurrentie** om private contributies, donaties en (overheid)subsidies?

Geen enkele mate	Zeer kleine mate	Kleine mate	Redelijke mate	Grote mate	Zeer grote mate	Volledige mate
<input type="checkbox"/>						

12. In welke mate is uw service club, voor wat betreft fondsenwerving, afhankelijk van private contributies, donaties en (overheid)subsidies?

Geen enkele mate	Zeer kleine mate	Kleine mate	Redelijke mate	Grote mate	Zeer grote mate	Volledige mate
<input type="checkbox"/>						

13. Hoeveel bedroeg, bij benadering, het percentage inkomsten uit private contributies, donaties en (overheid)subsidies ten opzichte van het totaal aan inkomsten?

- | | |
|------------------------------------|-------------------------------------|
| <input type="checkbox"/> 0 – 10 % | <input type="checkbox"/> 50 – 60 % |
| <input type="checkbox"/> 10 – 20 % | <input type="checkbox"/> 60 – 70 % |
| <input type="checkbox"/> 20 – 30 % | <input type="checkbox"/> 70 – 80 % |
| <input type="checkbox"/> 30 – 40 % | <input type="checkbox"/> 80 – 90 % |
| <input type="checkbox"/> 40 – 50 % | <input type="checkbox"/> 90 – 100 % |

14. Welke (andere) reden(en) heeft uw service club om gebruik te maken van commerciële activiteiten?

15. In welke mate zijn de leden van uw service club begaan met het lijden van achtergestelde delen van een bevolking?

Geen enkele mate	Zeer kleine mate	Kleine mate	Redelijke mate	Grote mate	Zeer grote mate	Volledige mate
<input type="checkbox"/>						

16. In welke mate zijn de leden van uw service club bereid om het lijden van achtergestelde delen van een bevolking te verlichten?

Geen enkele mate	Zeer kleine mate	Kleine mate	Redelijke mate	Grote mate	Zeer grote mate	Volledige mate
<input type="checkbox"/>						

17. In welke mate experimenteert uw service club met het opzetten van projecten die nieuw en uniek zijn?

Geen enkele mate	Zeer kleine mate	Kleine mate	Redelijke mate	Grote mate	Zeer grote mate	Volledige mate
<input type="checkbox"/>						

18. In welke mate zet uw service club nieuwe en unieke projecten op in verhouding tot andere service clubs?

Geen enkele mate	Zeer kleine mate	Kleine mate	Redelijke mate	Grote mate	Zeer grote mate	Volledige mate
<input type="checkbox"/>						

19. In welke mate is uw service club, bij het opzetten van projecten, bereid om financieel risico te lopen?

Geen enkele mate	Zeer kleine mate	Kleine mate	Redelijke mate	Grote mate	Zeer grote mate	Volledige mate
<input type="checkbox"/>						

20. Heeft uw service club, in de periode 2010 – heden, wel eens een project (of meerdere projecten) opgezet dat voldoet aan alle (!) van de volgende vier criteria:

1. Het project voorziet in een probleem of sociale behoefte, die worden genegeerd door de markt en/of overheid
2. Het geadresseerde probleem c.q. de geadresseerde sociale behoefte betreft een achtergesteld deel van een bevolking
3. In het project is waarde gecreëerd (door middel van commerciële activiteit) om in het geadresseerde probleem c.q. de geadresseerde sociale behoefte te voorzien
4. Uw service club heeft in het project risico gelopen om die waarde te creëren.

- Ja, 1 project (ga door met vraag 22)
- Ja, meerdere projecten (ga door met vraag 21)
- Nee (ga door naar vraag 24)

21. In welke mate heeft uw service club, in de periode 2010 – heden, zulke projecten opgezet ten opzichte van andere activiteiten?

Geen enkele mate	Zeer kleine mate	Kleine mate	Redelijke mate	Grote mate	Zeer grote mate	Volledige mate
<input type="checkbox"/>						

22. In welke mate heeft het project (of hebben de projecten) het beoogde doel bereikt?

Geen enkele mate	Zeer kleine mate	Kleine mate	Redelijke mate	Grote mate	Zeer grote mate	Volledige mate
<input type="checkbox"/>						

23. Kunt u hier kort het (indien van toepassing: meest succesvolle) project beschrijven? Wilt u hierbij in gaan op het **doel van het project** (welk probleem of sociale behoefte wordt geadresseerd en wie betrof het), de wijze waarop er **waarde is gecreëerd** (door middel van commerciële activiteit)) om in het geadresseerde probleem c.q. de geadresseerde sociale behoefte te voorzien, en de wijze waarop uw service club **risico** heeft gelopen om die waarde te creëren?

24. Bent u bereid mee te werken aan een interview mocht uw service club geselecteerd worden voor vervolgonderzoek?

Ja Nee

Einde enquête

Appendix VII: Correlation matrices

Correlation matrix – Pearson’s Correlation, parametric

	M	SD		1	2	3	4	5	6	7	8	9	10	11	12	13	14
1. Extent of commercial activity***	2.97	1.11	Pearson Correlation	-													
			N	156													
2. Percentage of income from commercial activities	4.74	2.79	Pearson Correlation	,600**	-												
			N	153	153												
3. Annual total revenue	20308.28	18468.14	Pearson Correlation	,159	-,043	-											
			N	151	149	151											
4. Extent to which service club members with commercial background set up commercial activity***	2.95	1.28	Pearson Correlation	,443**	,297**	,293**	-										
			N	153	150	148	153										
5. Percentage of service club members setting up commercial activities	3.79	2.36	Pearson Correlation	,270**	,219**	,057	,396**	-									
			N	153	150	148	151	153									
6. Percentage of service club members with commercial background***	4.55	2.12	Pearson Correlation	,192*	,063	,039	,421**	,400**	-								
			N	154	151	149	153	152	154								
7. Extent of income stability due to the use of commercial activity***	2.01	1.71	Pearson Correlation	,325**	,454**	-,127	,192*	,139	,015	-							
			N	156	153	151	153	153	154	156							
8. Extent to which commercial activity is an alternative for increased competition for private contributions, donations and (government)subsidies	1.81	1.82	Pearson Correlation	,102	,249**	-,151	,047	,050	-,086	,361**	-						
			N	151	148	146	148	149	149	151	151						
9. Extent of dependency on private contributions, donations and (government)subsidies***	1.90	1.67	Pearson Correlation	-,140	-,275**	,122	-,142	-,066	-,119	-,203*	-,058	-					
			N	155	152	150	152	152	153	155	151	155					
10. Percentage of income from private contributions, donations and (government)subsidies	3.81	2.88	Pearson Correlation	-,129	-,324**	,132	-,108	-,019	-,029	-,304**	-,160	,509**	-				
			N	151	148	148	148	148	149	151	147	150	151				
11. Extent of compassion***	3.99	.79	Pearson Correlation	,199*	,094	,047	,186*	,328**	,177*	,233**	,039	-,132	-,101	-			
			N	154	151	149	151	151	152	154	149	153	149	154			
12. Extent of entrepreneurial orientation***	2.64	1.12	Pearson Correlation	,054	-,088	,098	,065	,141	,097	,091	,055	,120	,203*	,314**	-		
			N	155	152	150	152	152	153	155	151	154	150	153	155		
13. Extent of social entrepreneurial projects***	2.79	1.06	Pearson Correlation	,314**	,226*	,331**	,243*	,077	-,090	,080	,054	-,041	,033	-,100	,159	-	
			N	89	87	86	87	86	88	89	84	88	86	88	88	89	
14. Goal attainment of social entrepreneurial project(s)***	4.39	.96	Pearson Correlation	,068	,080	-,032	,082	,083	-,010	,000	,045	-,068	-,041	,070	,149	,331**	-
			N	93	91	90	91	90	92	93	88	92	90	92	92	89	93

***. Data regarding these variables are normally distributed.

**.. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

Correlation matrix – Spearman's rho Correlation, non-parametric

	M	SD		1	2	3	4	5	6	7	8	9	10	11	12	13	14
1. Extent of commercial activity	2.97	1.11	Spearman's rho Correlation	-													
			N	156													
2. Percentage of income from commercial activities***	4.74	2.79	Spearman's rho Correlation	.605**	-												
			N	153	153												
3. Annual total revenue***	20308.28	18468.14	Spearman's rho Correlation	.157	.006	-											
			N	151	149	151											
4. Extent to which service club members with commercial background set up commercial activity	2.95	1.28	Spearman's rho Correlation	.452**	.301**	.305**	-										
			N	153	150	148	153										
5. Percentage of service club members setting up commercial activities***	3.79	2.36	Spearman's rho Correlation	.328**	.316**	.129	.394**	-									
			N	153	150	148	151	153									
6. Percentage of service club members with commercial background***	4.55	2.12	Spearman's rho Correlation	.202*	.076	.088	.439**	.389**	-								
			N	154	151	149	153	152	154								
7. Extent of income stability due to the use of commercial activity***	2.01	1.71	Spearman's rho Correlation	.263**	.434**	-.091	.140	.144	.005	-							
			N	156	153	151	153	153	154	156							
8. Extent to which commercial activity is an alternative for increased competition for private contributions, donations and (government)subsidies***	1.81	1.82	Spearman's rho Correlation	.061	.215**	-.155	-.003	.074	-.118	.364**	-						
			N	151	148	146	148	149	149	151	151						
9. Extent of dependency on private contributions, donations and (government)subsidies***	1.90	1.67	Spearman's rho Correlation	-.102	-.233**	.111	-.166*	-.037	-.121	-.151	.003	-					
			N	155	152	150	152	152	153	155	151	155					
10. Percentage of income from private contributions, donations and (government)subsidies***	3.81	2.88	Spearman's rho Correlation	-.049	-.249**	.131	-.097	-.066	-.045	-.225**	-.124	.501**	-				
			N	151	148	148	148	148	149	151	147	150	151				
11. Extent of compassion	3.99	.79	Spearman's rho Correlation	.150	.079	.107	.171*	.290**	.180*	.207*	.037	-.135	-.119	-			
			N	154	151	149	151	151	152	154	149	153	149	154			
12. Extent of entrepreneurial orientation	2.64	1.12	Spearman's rho Correlation	.039	-.074	.079	.033	.074	.077	.092	.042	.109	.163*	.311**	-		
			N	155	152	150	152	152	153	155	151	154	150	153	155		
13. Extent of social entrepreneurial projects	2.79	1.06	Spearman's rho Correlation	.365**	.260**	.301**	.217*	.112	-.079	.088	.035	-.034	.059	-.102	.118	-	
			N	89	87	86	87	86	88	89	84	88	86	88	88	89	
14. Goal attainment of social entrepreneurial project(s)	4.39	.96	Spearman's rho Correlation	.084	.090	-.011	.062	.052	-.019	.010	.027	-.074	-.018	.115	.203	.358**	-
			N	93	91	90	91	90	92	93	88	92	90	92	92	89	93

***. Data regarding these variables are not normally distributed

** Correlation is significant at the 0.01 level (2-tailed).

* Correlation is significant at the 0.05 level (2-tailed).

Appendix VIII: List of social entrepreneurial projects

Indicated in survey to be social entrepreneurial?	Short description of project	Social entrepreneurial?
Yes	Funding a school at Bali and KiKa by means of a Grand Prix c.q. car event.	Yes
No	Funding a project in India and micro credits by means of an art event of 10 days.	Yes
Yes	Sales of wine and asparagus	No, commercial activity
Yes	Building new classrooms and other facilities for a school in South Africa. Funded by selling Christmas cards.	Yes
Yes	Building schools and water wells in Ghana. Funded partly by commercial activities (sales of wine, auctions etc.) and charity.	Yes, partly
Yes	Funding youth sport fund by means of a lecture	Yes
Yes	Special activity for a the 'Leergeld' foundation that provides instruments for music lessons for children of poor families	Not measurable
No	Helping disadvantaged children and exchange program are funded by the sales of wine.	Yes
No	Fulfilling social needs of elderly people and disadvantaged families.	No, social projects
Yes	Organisation of a film show in open air with the aim to fund the foundation Energy4All.	Yes
Yes	Organisation of a spinning marathon with the aim to fund MS foundation.	No, charity
Yes	Financial support of horse-riding for disabled people and financing a van for the food bank.	Not measurable
Yes	Funding the foodbank and the 'Leergeld' foundation by means of sponsoring	No, charity
No	Sales of sparkling wine via a website. Buyers of wine can select the project they want to help. Helping disadvantaged people become an integral part of the product. Service club member is importer of the wine and coordinates the logistics. The service club, but the member, faces the entrepreneurial risk.	Yes
Yes	Offering a high-tea to disadvantaged people, funded by the sales of wine and an auction	Yes
Yes	Cultivating petunias and geraniums. Net profit for foundation 'De Zonnebloem'.	Yes
Yes	Supporting a school in Mponge; with the help of private partners they enabled the generation of solar-energy.	Not measurable
Yes	Organisation of the longest dining table of the Netherlands in order to raise awareness for social exclusion and loneliness.	No, social project
Yes	Providing music education at elementary schools. Funded by charity funds and businesses.	No, social project
Yes	Preserving a hospice by organising a golf tournament. Risk in	Yes

	covering incurred expenses.	
Yes	Providing education and housing for children in Katmandu. A separate foundation continues the work.	Not measurable
Yes	Sales of wine and the organisation of a golf tournament for funding a home for maltreated women.	Yes
Yes	Logs are ordered and lumbered by club members into sellable m3 of fire wood. A hospice, Salvation army and a museum are funded by the profits.	Yes
Yes	Sales of wine in order to fund an epileptic centre and a food bank	Yes
Yes	Building schools in Vietnam. Funded by the organisation of a gala night (dining, entertainment, artists performance, lottery and auction).	No, social project / charity
Yes	Funding a hospice and food bank by selling pea soup	Yes
Yes	The establishment of a school in India and providing micro credits by organisation a charity diner and sponsoring by companies	No, social project / charity
No	Setting up a 'Lions-forest'; selling trees to residents who can commemorate and celebrate by planting a tree.	Yes
Yes	Preventing juvenile delinquency by linking the youth to coaches; setting up a whole organisation for this. After 3 years, integration in the municipal youth policy.	No, social project
Yes	Funding 'Leergeld' foundation, a food bank etc. by selling furniture of service club members, families and friends on 'Marktplaats'.	Yes
Yes	Several projects funded by sponsoring	No, charity
Yes	The organisation of a golf tournament for funding a food bank and illiteracy project	Yes
Yes	Establishment of a school and first-aid facility in Nepal funded by sales of local products.	Yes
Yes	Funding a specific delivery room in a local hospital in the Netherlands by organisation of a car rally	No
Yes	Funding the youth sport fund by organising a bicycle tour through Italy (sponsoring).	No, charity
Yes	Annual Asparagus festival; sales of asparagus and packets for funding organisations that fulfil social needs.	Yes
Yes	Organisation of a charity gala (with financial risk)	No, charity
Yes	Construction of a training ground for disabled children in order to practice outside with a wheelchair. Partly funded by commercial activities such as sales of calendars	Yes, partly
Yes	Lecture of famous people in order to fund the foodbank	Yes
Yes	Funding organisation that fulfil social needs (such as the food bank), by the organisation of an annual culinary fair on an estate.	Yes
Yes	Organisation of a Christmas-gala (with financial risk)	No, charity
Yes	The organisation of a 'klootschiet' tournament	Not measurable
Yes	Selling toilet paper in order to buy a bus that carries children from Township to school. Matching grants were also used.	Yes, partly.
Yes	Swimming activity in order to raise money (sponsoring) for McDonald Friend sport park.	No
Yes	Organisation of a film festival	Not measurable

Yes	Funding multiple organisations that address social needs by organising a car rally, wine-tasting event and golf tournament	Yes
Yes	Funding multiple organisations that address social needs by organising a car rally, wine-tasting event, selling fire wood	Yes
Yes	Sport event which generated profit (tickets and sponsoring) in order to provide disadvantaged children a short sportive holiday.	Yes, partly
Yes	Selling wines and organising a dinner in a vineyard.	No, commercial activity
Yes	Reintegration project for disadvantaged youth; offering work experience, training, job skills.	No, social project
Yes	Funding a hospice by means of lottery.	No, charity
Yes	Organising and accompanying a daytrip for elderly; funded by sales of icing/road salt. Risk: no snow or frost.	Yes
Yes	Organising a music concert; net profit for organising terminal homecare	Yes
No	Organising a music concert in a lake; net profit for education of volunteers in a hospice	Yes, partly
Yes	Organisation of a 'Haring-party'.	No, charity
No	Organisation of Highland games for companies.	No, charity
Yes	Funding several organisations that fulfil social needs with the profit from the organisation of a shellfish festival (sales of meals and beverages, but also sponsoring and donations)	Yes, partly
Yes	Funding several organisations that fulfil social needs with the profit from the organisation of a New Year concert (ticket sales, but also sponsoring)	Yes, partly
Yes	Funding local cultural projects and an organisation that fight illiteracy by organising a Christmas fair (net profit derived from exhibitors, entrance fees and catering)	Yes
Yes	Funding several organisations that fulfil social needs with the profit from exploiting an ice rink (ticket sales, skate rental, catering etc.)	Yes
Yes	Establishment of schools and library at Ile de Mar funded partly by commercial activity	Not measurable
Yes	Supporting primary schools in local communities and a water project in a developing country. Both projects funded by a mussel event and sales of special wines (with special packaging)	Yes
Yes	Installation of water tanks in Uganda	Not measurable
Yes	Organisation of a Jazz festival (ticket sales and sponsoring). Profit used for projects regarding multiple disabled children, elderly and disadvantaged children.	Yes, partly
Yes	Activities during a horse carriage competition, such as selling lunches, dinners, mussels and oysters. Net profit was used for the 'Leergeld' foundation and for holidays for young cancer patients.	Yes
Yes	Organisation of a Jostiband concert (ticket sales and sponsoring). Profit used for food bank	Yes, partly
Yes	Supporting several organisations that fulfil social needs and disadvantaged people; funded by profit from the organisation of a concert in a local church (ticket sales and sponsoring)	Yes, partly

